

# DAILY REPORT

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ASEAN STANDING COMMITTEE MEETS IN MANILA

HK041438 Hong Kong AFP in English 1411 GMT 4 Apr 86

[Text] Manila, April 4 (AFP) -- Philippine Vice President Salvador Laurel Friday proposed a meeting of the heads of state of the Association of Southeast Asian Nations (ASEAN) in Manila next year.

The issues of cooperation and regional security "require decisions at the highest level," aside from the need of ASEAN leaders to be in constant contact with each other Mr Laurel told the ASEAN Standing Committee meeting here. "We proposed the holding of an ASEAN summit in Manila next year so that they can tackle regional and international problems confronting the organization," Mr Laurel said in his speech, copies of which were released to the press.

The closed-door meeting hosted by Manila was attended by the ambassadors of other member-countries-Malaysia, Thailand, Indonesia, Singapore and Brunei, and a delegation from the Coalition Government of Democratic Kampuchea (CGDK).

Mr Laurel urged the participants to "bring to the attention of your respective governments the need for a summit so that we could transform ASEAN into what it was originally conceived to be -- a strong economic association." The last summit meeting of the association was held in Kuala Lumpur in 1977.

Mr Laurel, who is also foreign minister, said he hoped an ASEAN ministerial meeting in Bali, Indonesia, later this month would be able to present its problems to U.S. President Ronald Reagan when he makes a stopover there on his way to a summit of industrialized countries in Tokyo in May. "The meeting will not only test our skills in negotiating with a major trading partner, it will also serve as a sounding board in bringing to the attention of the seven top world leaders the plight of developing countries," Mr Laurel said.

He identifies ASEAN's main economic concerns as protectionism and scarce economic assistance from industrialized countries.

Mr Laurel said Manila will seek to expand economic cooperation with its ASEAN partners "for we believe we have not fully developed this potential," and suggested "counter-trade arrangements" where market-sharing was not immediately feasible.

On another matter, the vice president said the Aquino administration "reiterates the Philippine commitments to ASEAN."

On the Vietnamese occupation of Cambodia, Mr Laurel said the Philippines "will support fully ASEAN's peace initiatives in Kampuchea." "We believe that ASEAN's condemnation of the Vietnamese action, coupled with world support, would hasten the withdrawal of Vietnamese forces in that country," he added.

Malaysia Supports Summit Idea

BK051107 Kuala Lumpur BERNAMA in English 1033 GMT 5 Apr 86

[Text] Alor Setar, Malaysia, April 5 (OANA-BERNAMA) -- Malaysia supports the Philippines' proposal that the third ASEAN summit be held in Manila next year.



Foreign Minister Tengku Ahmad Rithauddeen said Saturday such a summit was important to discuss problems of mutual interest. He told reporters in this capital of the northwestern Kedah state that Malaysia had no objections to the summit being convened in the Philippines. The proposal was made by Philippine Vice-President and Prime Minister Salvador Laurel at the fourth ASEAN standing committee meeting in Manila Friday. Tengku Rithauddeen said the summit should stress economic and trade issues among members countries.

#### Role in CGDK Proposal Viewed

BK060944 Jakarta Domestic Service in Indonesian 1200 GMT 5 Apr 86

[Station commentary]

[Text] Senior ASEAN officials met with Philippine Foreign Minister Salvador Laurel in Manila yesterday. They discussed among other things an 8-point proposal announced by the Prince Sihanouk-led CGDK in Beijing in the middle of last month. The 8-point CGDK proposal favors the participation of the Heng Samrin faction in the coalition together with the Sihanouk, Son Sann, and Khieu Samphan factions.

ASEAN welcomes the proposal despite the rejection by Hanoi and Moscow which suspect it as being a ploy by Beijing to return the undesirable Khmer Rouge to power in Cambodia. ASEAN would not support the 8-point CGDK proposal if it was designed to return the Khmer Rouge to power.

According to the English-language Hong Kong weekly magazine FAR EASTERN ECONOMIC REVIEW as quoted by Western news agencies in Hong Kong, ASEAN has formulated a detailed plan to settle the 7 year-old Cambodian conflict on the basis of the 8-point CGDK proposal. However, the plan must be approved by the ASEAN foreign ministers who will meet in Manila next June. Prior to the Manila meeting, a CGDK delegation headed by Vice President Khieu Samphan arrived in Manila last Wednesday to brief senior ASEAN officials on the proposal.

It is encouraging that the Philippines will host the periodical ASEAN foreign ministers meeting as scheduled. This means that the post-Marcos Philippines will continue to play its role as an ASEAN members. The anxiety of its neighbors over a communist threat posed by armed insurgency in the Philippines has considerably decreased since the dawning of the post-Marcos period.

Meanwhile, ASEAN as a whole is becoming more confident that a solution to the Cambodian issue is getting nearer because the tone of the 8-point CGDK proposal on the one hand and statements issued by Hanoi and Phnom Penh on the other have indicated approaches for a solution despite the recent rejection by Hanoi and Moscow.

#### Khieu Samphan Briefs Officials

BK050931 Kuala Lumpur BERNAMA in English 0901 GMT 5 Apr 86

[By Zainoor Sulaiman]

[Excerpts] Manila, April 5 (OANA BERNAMA) -- Vice-President of the Coalition Government of Democratic Kampuchea (CGDK) Khieu Samphan left here for Bangkok Saturday after meeting ASEAN officials to outline to them the CGDK's eight-point proposals aimed at attaining a political solution to the Kampuchean problem.

Khieu Samphan told reporters here that the tripartite coalition was seeking the support from all parties concerned, including the Association of Southeast Asian Nations (ASEAN), for the successful implementation of the proposals. ASEAN groups Brunei, Indonesia, Malaysia, the Philippines, Thailand and Singapore.

He was grateful that ASEAN senior officials had given him time to explain the background of the CGDK formula, which, among other things, calls for the creation of a national reconciliation government in Kampuchea involving the three factions in CGDK and the Hanoi-backed Heng Samrin Regime.

#### BERNAMA Reports on Meeting

BK060344 Kuala Lumpur BERNAMA in English 0215 GMT 6 Apr 86

[By Zainoor Sulaiman]

[Excerpts] Manila, April 6 (BERNAMA) -- ASEAN senior officials have agreed to recommend to their foreign ministers the convening of an ASEAN summit next year. The consensus was reached during a three-day meeting senior official meeting (Som) which ended here yesterday.

Meanwhile, the leader of the Malaysian delegation to the meeting, Razali Ismail, said the meeting also discussed issues to be brought up by the ASEAN foreign ministers when they meet U.S. President Reagan in Bali on May 1.

Mr Razali, who is Wisma Putra's acting secretary-general, described the meeting here as successful. He said the senior officials also discussed a joint strategy pertaining to the Kampuchean question to be adopted by ASEAN foreign ministers at the next U.N. General Assembly session. ASEAN officials also had the opportunity to discuss the new eight-point proposal by the Coalition Government of Democratic Kampuchea (CGDK) for the resolution of the Kampuchean problem.

A high-level CGDK delegation led by its vice-president, Khieu Samphan, elaborated on the proposals to the ASEAN senior officials. His delegation also comprised other top CGDK officials including Prince Norodom Rannarit from the Sihanouk faction and Minister Bun Say of the Son Sann Faction. This was the first time that the CGDK was presenting a consolidated plan for the future of Kampuchea, Mr Razali said.

ASEAN officials felt there was no ground for Vietnam to reject the proposals as it was formulated by the three factions themselves without outside influence, Mr Razali said. "The plan will serve as a ready manifesto for Kampuchean peace in the future," he said.

He said the Kampuchean factions had strengthened their coordination and cooperation both on the ground and on the diplomatic front. They also briefed the ASEAN officials on the favourable military situation for them in the various parts of Kampuchea.

Meanwhile, the ASEAN working group on the Zone of Peace, Freedom and Neutrality (ZOPFAN) met here yesterday to discuss the proposed nuclear weapon-free zone in Southeast Asia.

Ambassador Zainal Abidin Ibrahim, who is director-general for planning at the Foreign Ministry, chaired the session. He said later that the meeting was a technical one and no specific decision was taken.

TALKS TO RECTIFY U.S. TRADE IMBALANCE PROPOSED

OW071223 Tokyo KYODO in English 1209 GMT 7 Apr 86

[Text] Tokyo, April 7 KYODO -- Japan intends to offer comprehensive economic talks with the United States to discuss ways to improve the bilateral economic structure in order to rectify the current trade imbalance now in Japan's favor, Foreign Ministry officials said Monday. The overall talks will supplement the sectoral trade talks being pursued mainly to urge Japan to open its markets wider to foreign products and services, the officials said. They said Foreign Minister Shintaro Abe will propose the idea to U.S. Secretary of State George P. Shultz when they meet in Washington Sunday. Abe will accompany Prime Minister Yasuhiro Nakasone on a summit meeting with U.S. President Ronald Reagan.

There is a growing view within the U.S. Congress calling upon Japan to change its economic structure and policies to enable the country to rely more on domestic demand than on exports as the engine of growth, they said. The U.S. Government has expressed the desire that the structural adjustment issue of major advanced nations be discussed at their summit meeting in Tokyo in early May, according to the officials.

Japan, they said, is ready to hold the comprehensive economic discussions with the U.S. in addition to the current sectoral talks, following a recommendation from a panel of advisers to Prime Minister Yasuhiro Nakasone Monday that the government set a national goal of "steadily reducing" Japan's massive balance of payments surplus to make the country fit better into the international community. In order to achieve the "medium-term national policy goal," the 17-member advisory group on Economic Structural Adjustment for International Harmony proposed a "historical transformation" in Japan's economic policies and "life-style" to make the economy more dependent on spending at home than on exports. Currently, Japan and the U.S. have biannual high-level economic consultations in addition to sectoral trade talks at vice ministerial levels in several sensitive sectors, including electronics and telecommunications.

TAKESHITA LEAVES FOR FINANCE MEETING IN WASHINGTON

OW071207 Tokyo KYODO in English 1155 GMT 7 Apr 86

[Text] Tokyo, April 7 KYODO -- Finance Minister Noboru Takeshita Monday left Tokyo for Washington to attend a series of international monetary meetings. He is due to return home Thursday. While in Washington, he is to meet U.S. Treasury Secretary James Baker and attend a meeting of finance ministers of 10 major advanced nations (G-10), among other monetary conferences.

NAKASONE TO PUSH FOR 'SPECIAL BAZAARS'

OW071205 Tokyo KYODO in English 1048 GMT 7 Apr 86

[Text] Tokyo, April 7 KYODO -- Prime Minister Yasuhiro Nakasone said Monday that he will push for the holding of special bazaars at 3,000 different locations across Japan for sales of imported goods, to take advantage of the yen's recent sharp appreciation. Speaking before a lower house joint committee session, Nakasone said that the bazaars will be held at "an appropriate time." But he did not elaborate. He further said he will have his officials report on price reductions for imported goods which should have followed the rise in the exchange value of the yen against the U.S. dollar, indicating the government is trying to see to it that consumers are benefiting from the higher yen value.



ECONOMIC GROUP ADVISED BOOSTING DOMESTIC MARKET

OW070845 Tokyo KYODO in English 0832 GMT 7 Apr 86

[Text] Tokyo, April 7 KYODO -- The following is the full text of the report of Prime Minister Yasuhiro Nakasone's Advisory Group on Economic Structural Adjustment for International Harmony, submitted to the prime minister Monday.

I. Background

1. The Japanese Economy Today

Having achieved very rapid economic growth in the forty years since the end of the war, Japan today occupies an important position within the international community.

Japan's international balance of payments has tended to show increasing current account surpluses in the 1980s. In 1985, in particular, this surplus was unprecedentedly large, i.e. 3.6 percent of GNP.

It is imperative that we recognize that continued large current account imbalances create a critical situation not only for the management of the Japanese economy but also for the harmonious development of the world economy.

The time has thus come for Japan to make a historical transformation in its traditional policies on economic management and the nation's life-style. There can be no further development for Japan without this transformation.

2. A National Goal for Japan

Setting as a medium-term national policy goal, the government should announce its determination, both domestically and internationally, to attain the goal of steadily reducing the nation's current account imbalance to one consistent with international harmony.

The large current account surplus is basically linked with Japan's economic structure such as being export-oriented, and there is an urgent need for Japan to implement drastic policies for structural adjustment and to seek to transform the Japanese economic structure into one oriented toward international coordination.

The process of achieving this goal should also entail efforts to enhance the quality of the nation's living standard, and it is imperative for us to realize that our success in achieving this goal will be essential in determining Japan's future in the international community.

In all of this, Japan should undertake responsibilities commensurate with its economic position and strive for harmonious co-existence within the world economy, as well as working to contribute to the world community not only economically but also in the scientific and technological, cultural, and academic fields.

This group therefore recommends a number of specific steps that the government should take in keeping with the following principles for the attainment of this goal.



### 3. Principles

In making these recommendations, we have kept in mind the need to achieve these policy goals through balanced economic growth and the resultant import expansion to maintain and strengthen the free trade system and to work for sustained and stable world economic growth.

#### (1) Policies Based Upon Market Principles

In order to make Japan more internationally open, policies based upon market mechanisms should be implemented from the viewpoint of "freedom in principle, restrictions only as exceptions." Accordingly, further improvement in market access and thorough promotion of deregulation should be carried out.

#### (2) Policies From a Global Perspective

Believing that the Japanese economy can only develop within a context of sustained and stable growth of the world economy, we find it imperative that Japan rectify its economic structure on its own initiative. At the same time, we believe that world economic growth requires efforts and cooperation of all countries, and policy coordination must be achieved in structural adjustment and other fields.

#### (3) Continued Long-Term Efforts

Since the process of reforming the economic structure and improving the basic character of our economy is a long-term one, efforts to this end should be made continuously and from a long-term perspective. However, relevant policy must be initiated as soon as possible.

## II. Recommendations

In seeking to orient the economy toward international harmony and make Japan an international state, it is imperative that, along with striving for economic growth led by domestic demand, the government promote basic transformations in the nation's trade and industrial structure. At the same time, the government must work for the realization and stabilization of the exchange rate at an appropriate level and must further promote the liberalization and internationalization of the nation's financial and capital markets. Furthermore, it is important for Japan to contribute actively to the well-being of the world community through international cooperation. In the implementation of these recommendations, fiscal and monetary policy, including taxation, also has a significant part to play. Especially, the preferential tax treatments for savings should be fundamentally reviewed.

### 1. Expanding Domestic Demand

Promoting the transformation from export-led economic growth to that driven by domestic demand requires that the government put firmly into place domestic demand expansion policies that have large multiplier effects and will lead to increased private consumption.

#### (1) Promoting Housing Policies and Urban Redevelopment

Efforts should be made toward a fundamental reform in Japanese housing policy and strengthening and broadening of measures to promote housing is required.

In large urban centers, in particular, creation of new residential areas closer to offices by redeveloping existing areas and construction of new residential neighborhoods are to be promoted. Also, urban facilities are to be expanded and improved.

There are a number of points which should be kept in mind in carrying out these efforts.

a. The scale of such projects is to be expanded centering on the mobilization of private-sector vitality. Steps must therefore be taken to ease regulations and to provide pump-priming financial incentives.

b. Tax deduction should be expanded for acquisition of houses.

c. Measures should be taken to keep land prices stabilized, e.g., re-zoning of urban areas, relaxing local government residential development guidelines, and easing the restrictions on building size and land use.

d. Efforts should be made to accelerate the settlement of problems arising from land use among those concerned.

## (2) Stimulating Private Consumption

Along with the appropriate distribution of economic growth in wages, tax cuts increasing disposable income are effective in expanding private consumptions. People should have more free time through reduced working hours, and the active use of paid leaves for longer periods should be encouraged. The total working hours per year in line with the industrialized countries of Europe and North America and early realization of complete five-day work weeks should be pursued in the private sector, while the efforts should be made for speedy implementation of these policies in the public and financial sectors.

## (3) Promoting Social Infrastructure Investments by Local Government

A radical increase in the capital formation by local governments is essential to spreading nationwide the impact of stronger domestic demand. Accordingly, in order to promote infrastructure developments, local independent works should be enlarged by making use of local government loans.

## 2. Transformation to an Internationally Harmonious Industrial Structure

The shift to internationally harmonious trade and industrial structure should basically be pursued through market mechanisms, but additional efforts should also be made through the following measures.

### (1) Promoting Transformation of Industrial Structure and Positive Industrial Adjustment

Positive industrial adjustment must be promoted to encourage the international division of labor.

To this end, it is necessary, while paying due consideration to the impact on small and medium size businesses, to promote actively the transformation of the nation's industrial structure. In this connection, the structural reforms now being promoted under current laws should be accelerated.

Taking account of the serious impact on local economies, coal mining policy should be reviewed with a view to lowering the level of domestic output drastically and increasing imports.

Also, in promoting industrial restructuring, it is important to encourage technological research and development, the growing diffusion and application of information technology in the economy and society, and the development of the service sector accelerated by the greater availability of free time and diversification of consumption patterns.

## (2) Promoting Direct Investment

Direct overseas investment plays an important role in rectifying Japan's external economic imbalances and in promoting the host country's economic development. Overseas investment has been expanding rapidly in recent years, and, with due consideration to the impact on domestic employment and the economy, this should be further encouraged. Accordingly, conclusion of bilateral agreements concerning protection of investment should be encouraged, overseas investment insurance schemes should be improved, and participation in Multilateral Investment Guarantee Agency (MIGA) should be undertaken and other governmental measures to support overseas investment should be reinforced. It is also necessary to expand economic cooperation to improve the environment for investment in the developing countries.

Foreign investment in Japan should also be encouraged with improved conditions for financial assistance, increased supply of information, and other measures. Furthermore, industrial cooperation should be actively promoted including technology exchanges and cooperation in third-country markets. Especially, setting up of a private-sector-led institution for industrial cooperation for the purpose of enhancing personnel exchanges should be encouraged.

## (3) Promoting Agricultural Policies Befitting to an Age of Internationalization

In order to achieve maximum productivity with land conditions and other constraints, the government should have a clear perspective for Japan's agriculture in the future. To this end, the government should work to achieve a thorough structural improvement, thereby promoting agricultural policies befitting an "age of internationalization." In so doing, priorities should be given to the policies focused on fostering core farmers for the future, and price policies should be reviewed and rationalized toward greater use of market mechanisms and active promotion of structural policies.

With the exception of basic farm products, efforts should be made toward a steady increase in imports of products (including agricultural processed products) whose domestic prices and the international market prices differ markedly. These price disparities should be reduced, while agriculture should be rationalized and made more efficient.

With regard to products subject to quantitative import restrictions, efforts should be made to improve market access under the future perspective for making the Japanese market more open, while taking account of developments in the relevant consultations and negotiations including the GATT new round.



### 3. Further Improving Market Access and Encouraging Import of Manufactured Goods

#### (1) Further Improving Market Access

Full implementation of the action program for improved market access should be promoted in the areas of tariffs, import restrictions, standards and certification, and government procurement and so on. Also the office of Trade and Investment Ombudsman (O.T.O) should be reinforced including the study of the possibility of giving a legal basis to it, in order to further improve market access.

#### (2) Encouraging Imports of Manufactured Goods

Further active efforts should be made to encourage imports of manufactured goods, together with steady implementation of various structural measures, including overseas investment which will contribute to the international division of labor such as local production and expanded imports of semi-finished and finished products. Together with promoting the streamlining of distribution mechanisms and conducting review of the various restrictions pertaining to distribution and sales, efforts should also be made to ensure the strict enforcement of the antimonopoly law for the prevention of unfair business transactions (1) and to strengthen domestic arrangements to eliminate illegal acts with regard to foreign trade markets and counterfeit products.

a. This should be done with special attention to monitoring the registration of international contracts, dealing harshly with unfair or exclusive trading practices, and checking that nothing is done to unfairly prevent parallel imports.

Along with seeking to expand import promotion policies through intensifying consumer-directed import promotion campaigns and ensuring the complete availability abroad of information on the Japanese market and distribution systems, efforts should be made to promote expanded economic cooperation and private-sector technology transfers to contribute to expanded imports of manufactured goods from developing countries.

#### (3) Prudent Behavior of Private Companies

Considering the strong possibility of frictions caused by the behavior of private companies which tend to pursue expanded market share at all costs, it is hoped that Japanese companies will behave in awareness of their international responsibilities.

### 4. Stabilization of Exchange Rates and Liberalization and Internationalization of Financial and Capital Markets

#### (1) Stabilizing and Sustaining Appropriate Exchange Rates

In achieving a proper balance between domestic and external demands, it is essential that exchange rates be stable and in line with economic fundamentals. While the government needs to place emphasis on exchange rate stability in its policy management, this goal cannot be achieved by Japanese policy efforts alone, and international efforts are needed.



Under the present circumstances, arrangements for stability must be considered within the framework of floating exchange rates, and elimination of major disparities in the economic performance of the leading industrialized countries is the underlying basis of exchange rate stability. There is, therefore, a clear need for a high level of policy coordination among these countries. However, since there is no guarantee that exchange rates will always reflect the fundamentals, cooperation and intervention by the countries concerned can be effective tools for correction.

While ensuring international compatibility of basic economic policy, it is important that efforts be made to build upon the accumulated experiences of international cooperation in developing a framework for future stability.

(2) Liberalization of Financial and Capital Markets and Internationalization of the Yen

With the liberalization of financial and capital transactions, transactions now take place on a global scale, and Japan should ensure that its financial and capital markets are commensurate with its economic importance. This will also facilitate the internationalization of the yen.

Thus efforts should be made to further liberalize financial and capital transactions and to expand transactions by non-residents both for financing and for investment.

Internationalization in the latter respect has been relatively slow in Japan. It is now essential to develop market facilities for funds from abroad so as to achieve better balance between financing and investment.

a. There is a need to diversify investment instruments, and particularly the development of short-term financial markets is an urgent task.

b. The expansion and strengthening of secondary markets and the internationalization of trading requires international compatibility of market arrangements and trading practices, in particular, with respect to taxation with due attention to the international point of view.

5. Promotion of International Cooperation and Japan's Contribution to the World Economy Commensurate With its International Status

The following policies should be implemented to promote international cooperation and to contribute to the world economy, while appropriate measures on necessary financial resources should be taken.

(1) Promotion of International Cooperation

a. Expanding Imports from Developing Countries

Efforts should be made to encourage imports of manufactured goods from developing countries through such means as technology transfer and expanded investment from Japan which will contribute to promoting improvements in the export industries of developing countries and further cooperation with their market penetration efforts.

**b. Alleviation of the Debt Problem**

Japan should work in cooperation with other leading industrialized countries to promote efforts for lower interest rates, to increase the official financial flow to developing countries, to strengthen the financial basis of multilateral development banks as well as to further improve their efficiency, and to give consideration to the impact of the debt problem of developing countries on private financial institutions.

**c. Promoting Economic and Technical Cooperation**

Every effort should be made to achieve as early as possible the current medium-term target to expand Japan's Official Development Assistance (ODA). It is also important that the Non-Government Organizations (NGO) be mobilized in this effort. As for the contents of economic and technical cooperation, it is necessary to expand technical assistance, place emphasis on training of assistance personnel, improve the grant element, restrain mixed credits, and promote untied aid.

**d. Promoting International Exchanges in the Fields of Science and Technology and Culture**

Japan should actively contribute to the creation of new science and technology for the twenty-first century. As well as promoting research and development in basic science and technology, Japan should promote international research cooperation in these fields.

Efforts should be made to promote Japanese language education and Japanese studies overseas, to support personnel exchanges, and to strengthen international broadcasting.

Efforts must also be made to adapt to the age of internationalization such as by opening doors of academic and research institutions to foreigners, arranging to accept more foreign teachers and students, and to accommodate Japanese students, returning from overseas.

**(2) Active Promotion of the GATT New Round**

While responding positively to the matters of interest to developing countries, the government should actively participate in the establishment of international rules in such new fields as trade in services and intellectual property rights. The government should also seek to improve the GATT rules and strengthen the GATT system in order to restore the credibility of the GATT.

It is hoped that the government will actively conduct negotiations on tariffs in accordance with the decision in the action program with regard to tariffs of industrial products.

**6. On Fiscal and Monetary Policy Management**

In the implementation of these recommendations, fiscal and monetary policy has a significant part to play.

In implementing fiscal policy, it is necessary to maintain the basic policy stance of fiscal reform to end its dependency on deficit-financing bonds, and also to respond flexibly in an effort to achieve economic and social balance, on a medium- and long-term basis, with creative efforts for the appropriation of fiscal resources with effectiveness and priority, for the mobilization of private-sector vitality, and for deregulation.

The tax system should be reviewed from the perspectives of equity, fairness, simplicity, economic vitality, and choice, as well as from an international point of view. The preferential tax treatment for savings, in particular, should be fundamentally reviewed in light of these principles, including abolition of the tax exemption of interest on small-amount savings. While ensuring currency stability, flexible management of monetary policy is necessary to realize an economy led by domestic demand.

#### 7. Follow Up

The group strongly hopes that the government will make necessary examinations on these recommendations as soon as possible and take necessary measures for their implementation. The group further hopes that necessary arrangements will be made so that appropriate follow-ups will be made for the implementation of those measures.

#### III. Conclusion

The government obviously has a very important role to play in transforming Japan's social and economic structure for greater harmony with the international community, but each and every Japanese should also be fully aware that Japan cannot develop unless it also contributes actively to the international community. It is imperative that every effort be made for attainment of this national goal, and the group thus very much hopes that the government will make every effort to implement these recommendations with the full understanding and support of the entire nation.

#### Nakasone Predicts LDP Resistance

OW070841 Tokyo KYODO in English 0829 GMT 7 Apr 86

[Text] Tokyo, April 7 KYODO -- Prime Minister Yasuhiro Nakasone indicated Monday he will face stiff objection from his own ruling Liberal-Democratic Party (LDP) regarding implementation of recommendations made by his advisory panel to defuse criticism of Japan's trade imbalance with the rest of the world. Nakasone was briefed on the recommendations by former Bank of Japan governor Haruo Maekawa, chairman of the panel, prior to the group's final meeting later in the day to endorse a report on them.

Maekawa told him that leaders of the LDP have shown a measure of understanding toward the report but added it appears difficult for them to accept all the recommendations, which include a call for a drastic cut in coal output to allow increased imports. Asked by reporters about possible LDP objections to the proposals, Nakasone said he would need considerable resolution to override them. "It is going to be very tough," he said, "but we must do it."

Nakasone later told the meeting of the Maekawa panel that he shares its fundamental perception of the need to restructure the export-oriented Japanese economy into one consistent with international harmony.



HOUSE OF COUNCILLORS APPROVES FY 1986 BUDGET

OWO41301 Tokyo KYODO in English 1238 GMT 4 Apr 86

[Text] Tokyo, April 4 KYODO -- The fiscal 1986 budget, with a general account running to 54,088.6 billion yen was approved by the House of Councillors (upper house) Friday evening, as originally drafted by the government.

With the budget approved by the Diet (parliament), the focus of Diet deliberations will shift to a bill to revise lower house representation, a bill reforming the Japanese National Railways (JNR), and the suspected scandal involving former Philippine President Ferdinand E. Marcos.

The current Diet session runs until May 22, and any extension is considered impossible because of a House of Councillors election slated for early summer.

Because the Tokyo summit of seven democracies is scheduled to be held May 4-6, and top leaders have a tightly packed diplomatic schedule, only about one month is left for substantive deliberations at the current Diet session.

Informed sources said that ad hoc committees will be established in both houses next week to probe into rebates allegedly made to Marcos.

Tense bargaining will likely be conducted between the ruling Liberal-Democratic Party and opposition parties, as the possibility now looms that Prime Minister Yasuhiro Nakasone may dissolve the Diet so as to hold a general election simultaneously with the upper house election in early summer, informed sources said.

KANSAI TRADE MISSION TO VISIT PRC 1-8 SEP

OWO71227 Tokyo KYODO in English 1203 GMT 7 Apr 86

[Text] Osaka, April 7 KYODO -- A high-powered economic mission from the Kansai district is expected to visit China September 1-8 for talks with Chinese Government and Communist Party leaders, industry sources said Monday. The mission, to be led by Hosai Hyuga, chairman of the Kansai Economic Federation, is scheduled to visit Beijing and Shanghai. Kansai economic leaders will be visiting China for the first time in 15 years, the sources said. They will explore the possibilities of expanding economic relations between the Kansai economic community and China when they meet Deng Xiaoping, chairman of the Central Consultative Committee of the Chinese Communist Party, and other Chinese leaders, they said.

LAW BARS PROBE INTO MARCOS' ALLEGED DEPOSITS

OWO71209 Tokyo KYODO in English 1156 GMT 7 Apr 86

[Text] Tokyo, April 7 KYODO -- The banking law makes it difficult to investigate the alleged hidden deposits of deposed Philippine President Ferdinand Marcos in Japan, Finance Ministry officials said Monday. Opposition parties, including the Japan Socialist Party, have asked the government to conduct such an investigation. The officials, noting it remains to be clarified whether such concealed deposits exist in Japan, said that under the banking law, it is difficult to ask banks to check all their deposits. But they said the ministry will study what to do in case deposits belonging to Marcos are found in Japan.



However, even if such deposits are investigated, it will be impossible to publish results, because of the established principle of protecting depositors, the officials said. The ministry is authorized by the law to investigate a bank only when it is considered to have financial or other problems. Investigation of many banks to confirm the alleged deposits would amount to abuse of the law, they said.

#### KOMEITO OBTAINS LIST OF FIRMS AIDING PHILIPPINES

OW030433 Tokyo KYODO in English 0113 GMT 3 Apr 86

[Text] Manila, April 3 KYODO -- A visiting delegation from the Komeito opposition party has obtained a list of all the Japanese firms involved in government aid projects to the Philippines between 1973 and 1984, a spokesman said Thursday. The documents obtained from the new Philippine Government show the nature of the projects and the Japanese firms involved, the spokesman said.

Japan started offering government-financed yen loans to the Philippine government of deposed President Ferdinand Marcos in 1973. Some 100 Japanese firms were involved, the spokesman said. Loans to the country during the period totaled some 466 billion yen.

The new Philippine Government has said it will cooperate if asked to help in the investigation of Japanese firms allegedly involved in shady deals during the Marcos era. It is not clear whether the firms involved paid kickbacks to Marcos, but the list will help the Japanese Diet to further probe the scandal, the spokesman said.

Akira Kuroyanagi, director general of Komeito's International Affairs Bureau, is at the head of the no. 2 opposition party delegation on a fact-finding mission to the Philippines.

#### MITI Questions Four Firms

OW031145 Tokyo KYODO in English 1138 GMT 3 Apr 86

[Text] Tokyo, April 3 KYODO -- Officials of four Japanese companies have been questioned by the Ministry of International Trade and Industry in connection with allegedly irregular transactions related to deposed Philippine President Ferdinand Marcos' hidden assets, a high-ranking MITI official disclosed in the Diet Thursday.

During deliberations on the "Marcos affair" in the Diet, Hiroshi Sugiyama, director general of MITI's Machinery and Information Industries Bureau, said the four companies included Toyo Tsusho which reportedly played the key role of a go-between Japanese businessmen and the Marcos family. Sugiyama did not give the names of the three other companies. But, he said they do not include Marubeni Corp. and Toyo Menka Kaisha (Tomen) which the Philippine investigators said were apparently involved in shady dealings.

Kimio Fujita, director general of the Foreign Ministry's Economic Cooperation Bureau, said his ministry too has questioned officials of three companies reportedly involved in such dealings in the Philippines. Three companies, the names of which were not divulged, voluntarily offered to brief the ministry on their involvement in the case, Fujita said.

Officials of the National Police Agency said they were collecting information about Japanese companies' involvement in the Marcos affair but that they could not reveal details at the moment.

REPORTS ISSUED ON ROK-U.S. SECURITY CONSULTATION

## SKNDF Statement

SKO61257 (Clandestine) Voice of National Salvation in Korean to South Korea 0300 GMT  
6 Apr 86

[Statement issued by spokesman of the South Korean National Democratic Front [SKNDF] in Seoul on 5 April -- read by announcer]

[Text] On 2 and 3 April, the Pentagon warmongers including U.S. Defense Secretary Weinberger held the 8th South Korea-U.S. Military Committee and the 18th South Korea-U.S. Annual Security Consultative Meeting with the Chon Tu-hwan clique in Seoul.

At this military conference, during which they ran amok with the ballad of southward invasion more frantically than ever before, they said that the United States will continue the occupation of South Korea by U.S. forces, drastically increase the combat capability of the U.S. forces in South Korea and the South Korean Army, further strengthen the "Team Spirit" exercises, actively support South Korea's defense industry, and increase the accumulation of war reserves.

At a time when tension on the Korean peninsula is being aggravated to an extreme point, the head of the Pentagon flew in on the spot and comprehensively discussed measures for a northward aggressive war provocation. This has caused our people to be deeply worried.

Branding all the issues discussed by the U.S. imperialists and their stooges this time as a vicious challenge to the aspirations of the people and to the trend of the times, running counter to the will of the Korean people who want independence, peace, democracy, and reunification, the SKNDF resolutely denounces and rejects them.

The U.S. imperialists are suffering a serious crisis in South Korea today. This is related to the fact that the resentment of the South Korean masses that has accumulated for more than 40 years under the U.S. colonial rule has erupted in the form of a struggle.

The mass movement is being fiercely carried out against the policy of aggression and war of the U.S. imperialist and their stooges in South Korea, where contradiction and confrontation between the forces of independence and subjugation and of democracy and dictatorship have become unprecedentedly acute. With the anti-U.S. and antifascist struggle waged fiercely throughout South Korea, the political situation in South Korea reminds one of the past when Syngman Rhee and Pak Chong-hui fell.

Public opinion points out that it is a matter of time for South Korea to become a second Philippines. Such a development is creating an extreme crisis in the U.S. colonial rule supporting the Chon Tu-Hwan military fascist regime. If the U.S. colonial rule collapses in South Korea, this would deal a critical blow to the Reagan administration, which is adhering to its aggressive Asian policy. The loss of South Korea, a colony, means the failure of its aggressive Asian policy, which attaches more importance to the Korean peninsula.

Thus, the U.S. imperialists are dispatching special envoys to this land in order to settle the dangerous situation, and are siezed with more unrest than anyone else over this crisis in their colonial rule in South Korea.

U.S. Defense Secretary Weinberger visited South Korea on the pretext of attending the South Korea-U.S. Annual Security Consultative Meeting. His visit is aimed at realizing the U.S. intention of finding a way out of the crisis in South Korea through a war. This is shown by the fact that as soon as Weinberger set his feet in South Korea, he raved that security in South Korea plays a decisive role in U.S. security and stressed again the presence of U.S. troops in South Korea, thus running amok with troop reinforcement and perfection of combat posture.

The U.S. imperialists, who are scheming to avoid the crisis in their colonial rule in South Korea through a northward aggressive war, are attempting to find an excuse for war provocation through the nonexistent so-called southward invasion from the North and are adhering to various means to create tension.

During the recent conference, the warmongers of the Pentagon including Weinberger loudly raved about a fiction that the North may launch a southward invasion on the occasion of the 1986 Asian Games and the 1988 Olympics and preposterously slandered the North. This is aimed at finding an excuse for provoking a northward aggressive war.

The conference, which was unswerving in war provocation rackets designed to settle the crisis, will only result in further strengthening the U.S. policy of colonial domination over South Korea, in more viciously carrying out the fascist offensive by inspiring the Chon Tu-hwan fascist rule facing a crisis, and in increasing the danger of war provocation. This situation shows that as long as the U.S. imperialists remain in South Korea as masters and the nation-sellers serve their masters, betraying the nation, our masses can neither escape the miserable situation as subjugated people nor avoid the danger of a destructive new war.

It is an urgent demand of the popular will and of the times to force the U.S. imperialists, a cancerous organism against independence, democracy, peace, and reunification, to comprehensively withdraw. The U.S. imperialists should immediately stop the frantic aggressive war provocation rackets in accordance with the unanimous demand of our masses and the progressive people of the world and should withdraw from South Korea, immediately and unconditionally, taking along the U.S. forces, all lethal weapons including nuclear weapons, and operational equipment.

The nature of aggressors and nation sellers will not change. The only way for the South Korean masses to avoid today's unfortunate situation is to achieve the anti-U.S. cause for democracy. The anti-U.S. cause for democracy ensures our masses' national sovereignty and guarantees democracy and peaceful reunification.

The SKNDF expresses the belief that the masses from all walks of life will carry out the struggle to expel the Yankee aggressors from this land and to overthrow the Chon Tu-hwan clique by more highly upholding the beacon of the anti-U.S. and anti-fascist struggle which has already been raised highly.

5 April 1986, Seoul

#### VNS Commentary

SK051150 (Clandestine) Voice of National Salvation in Korean to South Korea 0300 GMT  
4 Apr 86

[Station commentary]

[Text] As has already been reported, the so-called 18th South Korean-U.S. Annual Security Consultative Meeting [SCM], which began on 2 April, ended on 3 April.



The entire course of the current session of the SCM, including two plenary sessions with South Korean and U.S. military chieftains in attendance, tete-a-tete talks, and the joint communique issued after a working-level committee meeting, as well as the Eighth South Korean-U.S. Military Committee Meeting, was literally a bargain for aggression and treachery.

In the conspiratorial talks and meetings, the so-called joint measures of South Korea and the United States to cope with a so-called vulnerable period in terms of security on the Korean peninsula for the next 2 to 3 years, the U.S. military aid to South Korea, and the measures for successfully holding the two sports events in 1986 and 1988 were discussed.

The topics discussed at this security meeting attract our attention. But, what we should first mention is why U.S. Secretary of Defense Weinberger flew into South Korea first despite the considerable distance from the United States and [passage indistinct].

The Chon Tu-hwan regime is facing the worst crisis because of not only the anti-U.S. and antigovernment struggle by the masses of all strata, but also because of economic bankruptcy. The Chon Tu-hwan regime literally is facing the destiny of a candle flickering in the wind. Our masses are asserting that Chon Tu-hwan should now choose death or seek refuge in a foreign country. Such developments cannot but constitute an ill-boding move for the U.S. warmongers.

Given this situation, the United States is trying to rescue the Chon Tu-hwan group, which has been driven further into a predicament because of the situation in the Philippines, and to continuously maintain its colonial rule in South Korea by strengthening the security for Chon Tu-hwan's political power. Thus, the United States is scheming to find a way out of the crisis for the Chon Tu-hwan regime by triggering the second 25 June Korean war.

This is why Weinberger chose South Korea to be the first leg of his current trip to five Asian and Asian and Pacific countries, including Japan, the Philippines, Thailand, and Australia and why, as soon as he arrived in South Korea he prowled about the front-line area close to the DMZ to inspire war fever. Weinberger's act this time is definitely similar to that of Dulles who visited South Korea on the eve of the 25 June Korean war 36 years ago.

Judging from these facts, it is not difficult for us to see the real aim of the so-called South Korean-U.S. annual SCM in which military bosses of South Korea and the United States hold a series of secret war confabs. In other words, in the current meeting, the military bosses of South Korea and the United States once again exposed their real intention of strengthening war preparations on the pretext of the nonexistent threat from the North.

This can be proven by the contents of the so-called joint communique issued and a press conference held after the annual conspiratorial meeting, in which the military bosses of South Korea and the United States clamored about a so-called vulnerable period in terms of security, the need to increase military aid to South Korea, and the establishment of measures for successfully holding two sports events in 1986 and 1988.

The so-called vulnerable period that they clamored about is nothing but a preposterous excuse to justify their maneuvers for a war of northward invasion under the pretext of the nonexistent threat from the North. The South Korean and U.S. military bosses' outcry about the ostensible need to successfully hold the sports events in 1986 and 1988, too, can be interpreted only as an exposure of their wicked and sinister aim of reinforcing military strength and provoking a new war in this land using these sports events as an excuse.



It is not accidental that the U.S. aggressors and the Chon Tu-hwan ring have planned to introduce more F-16 fighter-bombers into South Korea and to deploy them by 1988 when the 24th Olympics are to be held.

Judging from all facts, the current conspiratorial meeting held between the South Korean and U.S. military bosses can be said to be not only a conspiratorial war confab intended to provoke a war of northward invasion on the Korean peninsula, but also a conspiratorial conference intended to maintain and strengthen their colonial and dictatorial system by forestalling another Philippine situation in South Korea and by backing up the Chon Tu-hwan dictatorial regime.

The U.S. warmongers and the Chon Tu-hwan ring are trying to provoke a new war in a bid to find a way out of the present crisis and, through it, to patch up the (?deepening) crisis in their colonial rule. However, this is indeed a foolish delusion.

At a time when the anti-U.S. and anti-Chon Tu-hwan struggle is being intensified among our masses with each passing day, a massive anti-U.S. struggle against Weinberger's visit to South Korea was recently staged. This is also an expression of our people's firm will not to tolerate the U.S. warmongers' new war provocation maneuvers and their colonial and fascist rule.

The U.S. aggressors should look straight at the trend of the times and act discreetly. Those who ignited a war are destined to be burned to death in the flames of a fire that they lit. This is the truth proven by history. The U.S. aggressors and the Chon Tu-hwan ring should clearly know that if they provoke a new war on the Korean peninsula, this will result in self-ruin.

#### Pyongyang Station Commentary

SK050930 Pyongyang Domestic Service in Korean 1149 GMT 4 Apr 86

[Commentary by station commentator Cho Tu-ul: "Warmongers' Reckless War Schemes"]

[Text] According to a report, U.S. Secretary of Defense Weinberger, who sneaked into South Korea, and the puppets of the Chon Tu-hwan ring on 3 April issued a so-called joint communique after closing the so-called 18th Annual Security Consultative Meeting [SCM]. In the joint communique containing 13 items, the rascals announced that the military arms buildup and military aid to the puppets, including a guarantee for the security of South Korea under the U.S. nuclear umbrella, an increase in chemical and new nuclear weapons, the establishment of an early warning system, and the strengthening of the defense industry, will be pushed ahead further and that the "Team Spirit" joint military exercise will be further strengthened until 1988. As seen in its contents, the joint communique thoroughly involves extremely provocative and bellicose words to accelerate further their maneuvers for war against us.

In South Korea today, a large number of U.S. imperialist aggression forces, the puppet army, and military equipment as well as lethal weapons of mass destruction, including nuclear weapons, are densely deployed. Not being satisfied with this, however, the rascals are also trying to introduce more chemical and nuclear weapons, to modernize the puppet army, and to build a new and expand defense industry facilities. This exposes once again how frantically the U.S. imperialists and the Chon Tu-hwan clique are running wild in preparations for a new war.

At the so-called SCM, groundlessly and preposterously babbling about military buildup in the North, deployment of military troops in the forward area of the North, and the like, Weinberger not only clamored that the security of South Korea is important to the security and peace of the Far East and that it plays a decisive role in the security of the United States, but also said that for this reason, U.S. forces will continuously stay in South Korea. Talking about someone's hindrance maneuvers against the Asian Games in 1986 and the Olympic Games in 1988, this rascal also clamored that the United States will give its all-out support for these games.

Furthermore, prowling about puppet army guard posts and U.S. Army units in the western sector of the frontline, this rascal directly inspected and reviewed the status of war preparations on the spot and inspired confrontation and war fever there.

On the other hand, the puppets of the Chon Tu-hwan ring begged for military aid and permanent occupation by U.S. forces while looking up to their U.S. bosses as their grandfathers. The rascals' powder-reeking remarks and acts vividly show that they are not interested in the dialogue for resolving the Korean question or in peace and that they are seeking only confrontation and war. As is already known, our party and the government of the Republic have clarified their peace-loving stand whenever an opportunity presented itself, and it has not been only once or twice that they have declared internally and externally that they have no intention of invading the South.

This year alone, we proposed stopping all war exercises from 1 February in an effort to broaden the road of the hard-won North-South dialogue and to ensure its successful progress, and appealed to the United States and the South Korean authorities to respond to this. This is a just step for the peaceful resolution of the Korean question and has aroused absolute support and sympathy not only among the Korean people but also among the peace-loving people in the world.

This notwithstanding, the U.S. imperialists and the South Korean puppets rejected this proposal and are now staging the provocative "Team Spirit-86" war exercise by mobilizing the vast armed forces capable of waging a full-scale war.

All military exercises, including the amphibious operation exercise near Pohang in mid-March, were not only staged simulating an actual war, but were also a preliminary war exercise and a nuclear war test exercise to attack the northern half of the Republic. This being the case, the fact that Weinberger, an extremely vicious warmonger, sneaked into South Korea, commanded the "Team Spirit-86" joint military exercise on the spot, and thus fanned war fever, this time is not only a cruel challenge for the Korean people who desire the country's peaceful reunification, but is also an intolerable criminal act. Such an act is precisely a violent act of the aggressors that can be seen only the eve of a war.

The fact that the rascals, who are frantic in inspiring war fever, reaffirmed in the so-called joint communique that their military buildup in South Korea and their support for the puppets for the so-called security of South Korea while babbling about the non-existent threat of southward invasion is closely related to the U.S. schemes not only to abet traitor Chon Tu-hwan, who has been isolated and rejected at home and abroad, but also to threaten and obliterate the anti-U.S. struggle for independence and the anti-fascist struggle for democratization of the South Korean youths, students, and people. This also proceeds from their wicked ambition to patch up the present crisis in their colonial rule of South Korea and to hold on to South Korea as their permanent military base for aggression by further accelerating preparations for a war against our people and by further intensifying their fascist rule of South Korea.

On the other hand, puppet and traitor Chon Tu-hwan is also attempting to realize his dirty ambition for long-term office by actively following his U.S. bosses' policy of war and by faithfully executing it. However, this is the rascals' foolish delusion.

Today, the South Korean people are vigorously waging the anti-U.S. and anti-fascist struggle for democratization, keenly realizing, through their lives for the past 40 years and through today's reality, the fact that as long as the colonial, military, and fascist rule by the U.S. imperialists and their stooges continues in South Korea they cannot live happily.

At a time when the anti-U.S. struggle, including the antiwar and antinuclear struggle, is being deepened and intensified among youths and students in South Korea and when the 10 million signature collection campaign for constitutional revision is vigorously unfolding, some 100,000 citizens in Seoul staged an anti-U.S. demonstration recently to oppose Weinberger's junket to South Korea. The South Korean youths, students, and people demand that the colonial and fascist rule of the U.S. imperialists and their stooges be liquidated. They also want to live independently.

The U.S. imperialists will surely be expelled from South Korea by the anti-U.S. and antifascist struggle for democratization of the South Korean youths, students, and people. At the same time, the Chon Tu-hwan regime will not be able to escape the stern judgement of history.

#### NODONG SINMUN Commentary

SK051102 Pyongyang Domestic Service in Korean 2146 GMT 4 Apr 86

[NODONG SINMUN 5 April commentary: "U.S. Imperialists Seek To Provoke New War"]

[Text] U.S. Defense Secretary Weinberger held the 18th Security Consultative Meeting with the South Korean puppet defense minister in Seoul on 2 and 3 April. Prior to this, on 1 April, the Eighth Military Committee Meeting was held between the U.S. imperialists and the puppets. During his stay, Weinberger inspected areas along the Military Demarcation Line and instigated U.S. troops and officers and men of the puppet army on the frontline to a war frenzy.

The Military Committee and Security Consultative Meeting, which claimed to have discussed the military situation on the Korean peninsula and the issue of security in South Korea, were unswerving in maneuvers to accelerate war preparations in South Korea while misleading public opinion on the pretext of coping with the so-called threat of aggression from the North. This is shown by the joint communique issued on 3 April comprising 13 articles, official news reports, and the contents of Weinberger's remarks at the press conference that day.

According to these materials, the U.S. imperialists and the South Korean puppets, putting forth the theory of a crisis in the next 2 or 3 years, stressing that the period until the 1988 Olympics is the most dangerous time, noted that they will not tolerate any provocation during this period and that in case of an armed invasion, the United States will offer rapid and effective assistance and will continuously guarantee security in South Korea under its nuclear umbrella.

They said that they agreed to improve the capability of advance warning and expand the exchange of strategic intelligence in order to ensure the Asian and Olympic Games. The theory of crisis in 2 or 3 years is fabricated for the security of the South Korean regime. The crisis created in South Korea is not because of the nonexistent threat of southward invasion. It has been caused by the barbarous policy of suppressing the mass antifascist movement for democracy by the South Korean people against the dictatorship.



The fact that tension is being aggravated on the Korean peninsula is also because of the reckless war rackets kicked off by the U.S. imperialists and their stooges. The movement for democracy in South Korea turned into a mass movement involving all stratas including professors in universities, religious groups, civil rights organizations, and women's organizations and is rapidly expanding from Seoul to local areas. The people are resolutely opposing the puppets' maneuvers to use the Olympics as means for prolonging their power and as a means for their fascist repression.

It appears that the antigovernment struggle in South Korea is to reach its climax in 1988 when the Olympics and the presidential election will take place at the same time. The theory of the crisis in 2 or 3 years which the U.S. imperialists and the South Korean puppets are spreading has resulted from this. They are instigating the sense of confrontation by linking this theory with us and by even talking about a nuclear umbrella. This is indeed preposterous.

In fact, this is a mean maneuver to threaten the South Korean people who oppose the puppet traitor Chon Tu-hwan's long-term power and the Olympics, which is being used for impure political aims and to check their spirit of struggle. The fact that they menace the people with nuclear weapons and loudly talk about an advance warning system and strategic intelligence can take place only in circumstances of a war. This totally runs counter to the ideals of the Olympics which pursues peace and friendship.

Who can dare think that the Olympics, which should be peaceful and free, can be ensured by a policy of strength? Such maneuvers only revealed again to the world that South Korea is not the proper venue for the Olympics and that the puppets who are blindly following the U.S. imperialists' policy of menace and threats are a group of war-mongers who are not qualified to hold the international games.

It has been learned that during the conference, they agreed to deploy a new Stinger missiles, Red Eye missiles, the most modern armored cars, F-16 fighter-bombers, rockets, and other modern military equipment to strengthen South Korea's combat capability and agreed to continue the "Team Spirit" joint military exercise. They shamelessly babbled that they call for the resumption of the North-South dialogue to ease tension on the Korean peninsula and to create an atmosphere of national harmony.

Is the continuous introduction of modern weapons into South Korea to accelerate war preparations aimed at easing tension? Can menacing us with nuclear weapons and blocking the South Korean people's aspirations for democracy be called measures for creating an atmosphere for national harmony?

They claimed that we unilaterally suspended the dialogue. However, those who suspended the dialogue by staging the "Team Spirit-86" joint military exercise are none other than themselves. If they think that their sophistry can remain hidden in the light of day, this is an anachronistic delusion.

The fact that they induced the Olympics to South Korea, that they are reinforcing armed forces in South Korea while raving about the threat of aggression by the North, and that they are attempting to shift the responsibility for suspending the dialogue onto others while slandering us and reversing black and white, is aimed at maintaining the fascist rule in South Korea by blocking Korea's reunification and perpetuating the division and at legalizing their policy of aggression and war against us.



At a time when our proposal for holding the tripartite talks for the peaceful solution to the Korean issue and our peaceful initiative for suspending military exercises for the relaxation of tension are evoking great repercussions at home and abroad, those who suspended the North-South dialogue by staging the large-scale "Team Spirit-86" joint military exercise and who are leading the situation to the brink of war, are rather running amok with reinforcements of armed forces and war preparations while slandering others. This will never be tolerated and overlooked.

The U.S. imperialists have a due reason for aggravating tension while running amok with troop reinforcement. The fact that the U.S. imperialist warmongers are going to strengthen their military assistance to South Korea while babbling about security is aimed at supporting the Chon Tu-hwan clique facing a crisis with means of force by continuously holding onto South Korea as a place for maintaining their colony in Asia and as a bridgehead for invading the continent. These are maneuvers aimed at maintaining and prolonging their wavering colonial fascist rule by ensuring the position of the puppet clique on the pretext of the Asian Games and the Olympics. Their basic aim is to make the Korean people the victims of their policy of confrontation in realizing their aggressive global strategy.

The Chon Tu-hwan clique is a group of filthy war stooges of the U.S. imperialists and traitors who are running amok with confrontation against fellow countrymen in collusion with outside forces. Under the protection of its masters, offered as a reward for serving the implementation of the U.S. imperialists' Korean strategy policy of war and as a reward for offering fellow countrymen as victims of the imperialists' aggressive war, the Chon Tu-hwan clique is attempting to maintain its political life. However, this cannot be a means for rescuing its life.

The key to solving the situation in South Korea is neither protection by a U.S. nuclear umbrella nor strengthening military equipment. The U.S. imperialists and the Nguyen Van Thieu clique were not defeated in South Vietnam in the 1970's because their armed forces were weak or their military equipment was short. Today is the new era when the masses, emerging as the masters of history, are advancing along the road of independence, opposing war, subjugation, and domination and demanding peace. The time when the policy of strength worked as a dynamic for the aggressors has passed. It is a foolish idea to attempt to find a way for survival by following the imperialists' policy of strength.

Today, the South Korean people are opposing the U.S. imperialists' colonial policy of subjugation, and for making South Korea a military base, are upholding the anti-U.S. banner for independence and the antifascist banner for democracy. This is clearly shown by the fact that some 100,000 masses staged an anti-U.S. demonstration struggle in Seoul protesting the visit by the U.S. defense secretary to South Korea.

History develops through the aspirations and struggle of the masses who are the mainstream of history and the driving force in the development of society. Whether or not the U.S. imperialists and their stooges want it, South Korea will advance along the road of independence and democracy. The U.S. imperialists and their stooges should immediately stop the new war provocation maneuvers against us and should act with discretion.

## CPRF Statement

SK080056 Pyongyang Domestic Service in Korean 2100 GMT 7 Apr 86

[Statement issued by the CPRF on 7 April in Pyongyang -- read by announcer]

[Text] The military bosses of the United States and South Korea held a meeting of the so-called Military Commission and the annual Security Consultative Meeting and repeated war confabs against us, Seoul from 1 to 3 April; at the end, they issued a so-called joint communique.

In the joint communique, the U.S. imperialists and the South Korean puppets maliciously implicated us, talking about the nonexistent threat of armed southward invasion by the North, and openly declared that they will drastically augment the U.S. aggression Armed Forces and the puppet armed forces under the cloak of the successful hosting of the 1986 Asian Games and the 1988 Olympiad. In the joint communique they, in particular, stated that the "Team Spirit" exercise will be continued every year in the future and the security of South Korea will be guaranteed under the U.S. nuclear umbrella, babbling that the next 2 or 3 years are a very important period. This shows that the so-called Security Consultative Meeting between the U.S. imperialists and the South Korean puppets is an out-and-out aggressive and antinational war confab, and the joint communique adopted at the meeting is a document for aggression and national treachery.

In our country at present, there exists, in reality, no danger that makes those in the U.S. bellicose circles fly over to South Korea in succession, hold repeated war confabs with the puppets, augment armed forces, and threaten peace. As has been well know, we have made every sincere effort, such as adopting an epochal measure to take the initiative to discontinue the military exercises, in order to ease the strained situation on the Korean peninsula, guarantee durable peace, and create a favorable atmosphere for peace talks.

This notwithstanding, the U.S. imperialist are trying to drastically build up armed forces, the anticommunist fortress of South Korea, their sole colonial and military base on the Asian Continent, and, furthermore, at accelerating preparations for armed provocations against our Republic.

At present, South Korea is becoming a very unstable place to the United States. The anti-U.S. struggle for independence and antifascist struggle for democratization is being staged more fiercely than ever before, and it is on the verge of reaching a political phase in which a second Philippine situation will occur. The situation in South Korea at present, whereby the mass advance of the youths, students, and ppeople of all walks of life is continuing and political disturbance is deepening with each passing day, is not only shaking the U.S. imperialists' colonial and fascist rule, which has lasted for nearly 40 years, but is also posing serious crises to the hosting of the 1986 Asian Games and the 1988 Olympic Games.

Harried by this, the U.S. imperialists are striving to cope with crises by threatening the democratic forces of South Korea and by putting down their mass advance through augmenting armed forces and creating the danger of war in South Korea and by reinvigorating the puppets, enveloped in uneasiness, and successfully hosting the international sports events in Seoul at any cost.

By reporting to the policy of strength in this way without cloaking their face and drawing a veil over their shame, the U.S. imperialists again show to the world that they indeed do not want democratic development and dialogue in South Korea and the easing of tension on the Korean peninsula, but seek only aggression and war.

Furthermore, what we cannot overlook is that the Chon Tu-hwan ring more clearly revealed its antinational nature as a group of sordid puppets of the U.S. imperialists through the so-called Security Consultative Meeting and the joint communique. Behaving as if it found a way for survival through the junket to Seoul by the bosses of the U.S. military circles, the Chon Tu-hwan ring conducted the dirty act of begging for the long-term presence of the U.S. troops in South Korea and their military assistance. By imploring for existence under the military protection and nuclear umbrella of the United States for their security in power and maintenance of power, without paying any attention to the interests of the country and the nation, the Chon Tu-hwan ring confirmed, by itself, that it is a group of puppets of the U.S. imperialists and showed their miserable status of being abandoned in South Korea.

The ring also threw aside dialogue with its fellow countrymen and pushed ahead with the "Team Spirit-86" joint military exercise, the largest one, in terms of scale, in history, in collusion with the United States, a foreign force. Not content with this, it made clear that it has no intention of holding dialogue between the North and South any longer by deciding in the joint communique that it will continue the military exercise. In addition, the puppets aggravated confrontation with us and antagonism among fellow countrymen by babbling that provocations through so-called southward invasion are near at hand, and unhesitatingly threatened the South Korean people, youths, and students aspiring for constitutional revision and democracy. All these despicable acts of the Chon Tu-hwan ring are indelible crimes and intolerable acts of betrayal against the entire nation, which is desirous of dialogue, easing tension, and peaceful reunification.

In the name of the Korean people, the CPRF sternly denounces the aggressive and anti-national act of the U.S. imperialists and the Chon Tu-hwan puppet clique, who have led the situation on the Korean peninsula a step closer to the brink of war, holding the so-called Security Consultative Meeting and repeated war confabs, and who have even jeopardized the fate of North-South dialogue.

We can never tolerate the dangerous military conspiracy and reckless war provocation maneuvers of the U.S. imperialists and the South Korean puppets. In particular, we can never idly look at the fact that the Chon Tu-hwan ring is trying to find a way out of its doom through the provocation of a war, deliberately straining the situation of the country by implicating us in collusion with the U.S. masters, and we cannot but watch this with high vigilance. Along with this, we will not comply with the South Korean authorities who are utterly denying dialogue and jeopardizing its future by openly stating that the "Team Spirit" joint exercise, is driving dialogue into a state of suspension, will also be continued in the future.

The masters of South Korea are the South Korean people, and the strength with which the South Korean situation evolves is decided also by the South Korean people. The Philippine situation confirmed that the masters of the country are not the United States or dictators, but the popular masses; the strength with which the fate of the country is decided lies not with foreign aggression forces and traitors but with the popular masses.

The U.S. military threat and the violence of the Chon Tu-hwan dictatorship cannot help in coping with the present South Korean situation, nor can they block the great nationwide march of the people toward independence, democracy, and reunification. Before being driven out of South Korea by the struggle of the people, the U.S. imperialists must withdraw from South Korea, taking along their aggressive troops and nuclear weapons. The Chon Tu-hwan ring must learn a lesson from the miserable downfall of the dictators. Time will not favor forever the aggressors and dictators. The U.S. imperialists and the South Korean puppets must look straight at the trend of the times and act with discretion.



NODONG SINMUN TERMS SOUTH'S DIALOGUE CALL 'FARCE'

SK040939 Pyongyang Domestic Service in Korean 2148 GMT 3 Apr 86

[NODONG SINMUN 4 April commentary: "Repeating the Ballad of Dialogue With the Vicious Motive of War"]

[Text] The South side, which is in the habit of slandering us, is attempting to earn something from making silly remarks on the question of the North-South dialogue. As has been reported, in connection with the fact that persons called the chief delegates of the South's delegations repeated the ballad of dialogue during the peak of the "Team Spirit-86" military exercise, by even designating the dates of dialogue, the heads of our side's delegations to the preliminary contact for the North-South parliamentary talks, the North-South economic talks, and the North-South Red Cross talks made it clear that it is not worthwhile to study this proposal. Just public opinion understands and supports our position.

The South side, reflecting on its indiscreet acts, should have made an apology for its act. However, strangely, it slandered us, while unanimously talking about unreasonable-ness or something. The South side stated that our refusal to agree on the dates of the talks under the pretext of the "Team Spirit" military exercise makes it suspicious of our attitude toward dialogue. Moreover, it stated that we have placed an artificial barrier in front of dialogue and that talking about the alleviation of tension, while refusing to hold dialogue and contacts, reveals a discrepancy between words and deeds. This is similar to the proverb of the thief shouting stop thief.

Our side's reply telephone messages sufficiently stated that it is not the time to discuss the question of dialogue when South Korea reeks of gunpowder from a war exercise aimed at attacking us. Even though the South side is pretending as though it were interested in dialogue, this will convince nobody.

Who on the Korean peninsula truly hopes for dialogue and the alleviation of tension and who opposes them? If one is to engage in dialogue, he must maintain a correct attitude toward dialogue and must not engage in such acts as conducting a war exercise against the opposite side to dialogue. This is the basic demand for a smooth dialogue.

At a time when we, in an effort to alleviate tension and to provide an atmosphere favorable to dialogue, proposed that military exercises be stopped, and even unilaterally took a practical measure, the South Korean puppets, running counter to this, began the "Team Spirit-86" war exercise. If the South side is interested in dialogue and the alleviation of tension, why did it, fully knowing that dialogue will be suspended, begin the war exercise aimed at attacking us by mobilizing large-scale forces some 200,000 strong and military materiel which are more than enough to carry out a full-scale war?

All the world, justly regarding the South Korean puppets' acts as ones that ruptured the North-South dialogue, is raising its voice denouncing them. The South side, as the one which masterminded the suspension of dialogue, leading the situation in our country to the brink of war, disqualified itself and lost face for talking about dialogue.

Let us also look at the situation in South Korea late last month, when the South side sent the telephone messages, while repeating the ballad of dialogue.

At that time, the "Team Spirit-86" war exercise, which suspended dialogue, was reaching its peak. In the skies, aircraft laden with nuclear bombs and missiles were conducting the exercise of striking targets presumed to be targets on our side, and at sea and in rivers, such attack exercises, including landing and river-crossing operations, where numerous warships were mobilized, were being conducted, presuming us as the enemy. It was at this very time that chemical war exercises were being conducted on land and that U.S.-made ultramodern weapons, which will be used to attack us, were being displayed.

The bosses of the U.S. imperialist aggression forces and the Chon Tu-hwan ring, appearing at the sites of the war exercise, whipped up war fever by arguing about the establishment of war footing or about instant punitive measures, while babbling about southward invasion with the Asian and Olympic Games as an occasion. How strongly did this gibberish reek of gunpowder?

The South side mentioned dialogue at such a time. What does it want to do by sitting face-to-face with us, while intending to bind us by force? Unless they are political imposters who are [words indistinct] and who have become puppets whose strings are pulled by warmongers, they cannot babble about dialogue under such circumstances.

The eyes of the world's people are not so dim as to fail to distinguish between those who want dialogue and the relaxation of tension in Korea and those who are opposed to it. It is none other than the South Korean puppets who have laid obstacles to the dialogue in Korea. It is also none other than the South Korean puppets who say one thing and do another.

The world had already witnessed this even before the latest suspension of dialogue due to the "Team Spirit" war exercise. Doggedly opposing the issue of adopting a joint declaration of nonaggression at the North-South parliamentary talks, the South side impeded the advancement of talks by coming up with an entirely different issue. The South side opposed economic collaboration between the North and South at the economic talks and the realization of free travel by the separated fellow countrymen at the Red Cross talks. This in itself demonstrates that they have no intention of solving the issue of relaxing tension through dialogue or even humanitarian issues.

The situation has recently become graver. While babbling about southward invasion by us with the Asian and Olympic Games as an occasion whenever they open their mouths, the South Korean authorities are exacerbating North-South relations to the extreme. The meeting of the Military Committee and the Annual Security Consultative Meeting held on 1, 2, and 3 April between the U.S. imperialist and South Korean military bosses reached an agreement on increasing the number of modern weapons, on continuing the forcible occupation of South Korea by U.S. troops, and on further strengthening the "Team Spirit" war exercises on the pretext of the nonexistent southward invasion.

This is not an attitude appropriate for dialogue, but an attitude proper for confrontation; not an attitude for peace, but one for war. The true intentions behind the South Korean puppets' act of having those directly involved in dialogue whine about dialogue are apparent. It is a trick designed to mislead public opinion at home and abroad wearing the hat of false dialogue and false peace, while attempting to ignite the flames of a new war against us through the military buildup. It is nothing but a deceptive farce designed to calm the just struggle which is seething among the South Korean people who aspire for democracy, peace, and reunification and denounce the "Team Spirit" war exercise.

Words can be persuasive when they are reasonable and they become credible only when they correspond to deeds. If the South side genuinely intends to relax [tension] and engage in dialogue, it should force the U.S. troops to withdraw from South Korea along with nuclear weapons, stop conducting the war exercise there, and respond to our peace-loving proposal for adopting a joint declaration of nonaggression.

The U.S. imperialists and the puppet South Korean clique declared that they will indefinitely continue the "Team Spirit" military exercises which have repeatedly suspended dialogue and that they will further strengthen them by 1988. Where do they intend to lead North-South relations? The South side will have to take full responsibility for all consequences arising from such maneuvers.

#### NODONG SINMUN WARNS AGAINST ROK PLANS FOR WAR

SK061216 Pyongyang Domestic Service in Korean 2151 GMT 5 Apr 86

[NODONG SINMUN 6 April commentary: "They Laid a Smoke Screen With Nuclear Weapons Aimed"]

[Text] On 4 April, the puppet prime minister raved that we deployed armed forces in the advanced areas to disturb the 1986 Asian Games and the 1988 Olympics and are watching for a chance for an anti-South provocation, thus stressing preparations for an emergency.

On the same day, the puppet defense minister also said in the Assembly that we are conducting offensive training to communize the South and that the next 2 or 3 years are the most dangerous period. Prior to this, the puppet police headquarters, raving about the North's infiltration on the occasion of the 1986 Asian Games and the 1988 Olympics, worked out so-called measures.

It has been learned that the measures concern the reinforcement of the numerous police forces in police stations and police booths in large cities and the new establishment of a special organization in police stations in vulnerable areas. It has also been learned that the police headquarters will strengthen searches and investigations in 10 vulnerable mountainous areas and 942 islands and establish checkpoints at 156 key traffic points. The measures also contain plans to block 85 maritime infiltration routes, to strengthen the defense of 400 important facilities, and to conduct frequent joint training among the Army, police, and civil defense corps.

Saying in the puppet Assembly Foreign Affairs Committee and defense committee that someone's various provocations are expected, the unification minister, the chief of naval operations, and the Air Force chief of staff stressed a perfect combat-ready posture. Judging from the puppets' rackets, an incident is about to occur due to the so-called threat from the North. However, this is a slanderous drama aimed at inciting a preposterous act, linking it with others.

The puppets instigated rackets many times in the past on the pretext of a threat. However, there has been no invasion from the North to date. Even the political counselor in the U.S. Embassy in South Korea clearly stated that there was no threat from the North during the Kwangju popular uprising in which the puppets claimed the North was involved.

Our peace initiative to suspend military exercises to ease tension and realize the atmosphere of dialogue and the act of the U.S. imperialists and the puppet clique who responded to our initiative with a large-scale nuclear war exercise show who is striving to ease tension on the Korean peninsula and to eliminate the danger of a war and who is running counter to this.



The threat existing on the Korean peninsula is the threat from the South, where numerous nuclear weapons that may explode at any time have been accumulated and where war maneuvers have been strengthened. Such a threat is being further increased by the South Korean military gangsters who raved that the lands to which they can advance are boundless but the land to which they can retreat is none, while straining the situation to an extreme point by staging such a war exercise as the "Team Spirit" together with their masters and actively following the U.S. imperialists' Korean strategy.

Despite this, the puppets are running wild here and there, just like a calf hit on its hind side, thus instigating rackets. Today, the anti-U.S., antifascist, and antiwar struggle is being vigorously carried out in South Korea and voices resolutely opposing the Olympics are loudly resounding. The Chon Tu-hwan clique is running amok with violence to repress the struggle. However, the struggle is being further expanded.

Embarrassed by this, the dictator is attempting to divert the people's attention elsewhere by creating the sense of tension in the situation with rackets of a threat and to legalize his frantic fascist maneuvers. The attempt to find a way out through adventurous war gambles are tactics the ruling faction adheres to whenever it is faced with a crisis.

On the eve of the Korean war in the past, the Syngman Rhee clique assembled armed forces along the 38th Parallel on a large scale, saying that the months of May and June were the most dangerous as its ruling crisis deepened. Thus, it ignited the flames of the northward aggressive war.

The prevailing situation reminds us of that time. As was shown during the annual Security Consultative Meeting, the puppets will continue the "Team Spirit" war exercise, through which they claimed to have shown that they can carry out a war without an advance notice together with the U.S. imperialists. They will also drag in modern weapons and military equipment including the most modern missiles and chemical bombs.

In fact, all these things are necessary only for provoking a war. The puppets are babbling about southward invasion in the wake of the Asian Games and the Olympics. However, such remarks are none other than a smoke screen laid by those who are going to ignite the fuse of a northward aggressive war after reinforcing armed forces on the pretext of the southward invasion in order to conceal their wicked plan. The Chon Tu-hwan clique should immediately stop foolish slanderous propaganda to ridicule and deceive the public opinion. If it advances along the road of adventurous war in the end, it will pay for this dearly.

#### KIM IL-SONG SENDS GREETINGS TO BULGARIA'S ZHIVKOV

SK061019 Pyongyang KCNA in English 0932 GMT 6 Apr 86

[Text] Pyongyang, April 6 (KCNA) -- Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea, sent a message of greetings on April 5 to Comrade Todor Zhivkov upon his reelection as general secretary of the Central Committee of the Bulgarian Communist Party.

In the message Comrade Kim Il-song says that the reelection of Comrade Todor Zhivkov as general secretary of the Central Committee of the Bulgarian Communist Party is an expression of the warm respect of the Bulgarian Communist Party members and people for and their deep trust in him who has rendered great services to the development and strengthening of the Bulgarian Communist Party and to the promotion of the welfare of the Bulgarian people.

The message says: I am convinced that the fraternal Bulgarian people under the correct leadership of the Bulgarian Communist Party headed by you will achieve big success and advance in the struggle for implementing the decisions of the 13th congress of your party to build a developed socialist society and defend peace and security on the Balkan peninsula and in Europe.

I believe that the relations of the traditional friendship and cooperation between our two parties and peoples will grow stronger and develop through the common struggle against imperialism and for the victory of the cause of peace, socialism and communism in the spirit of agreement reached at our meetings and talks held in Pyongyang and Sofia in recent years.

BULGARIA'S ZHIVKOV RECEIVES PAK SONG-CHOL 3 APR

SK050522 Pyongyang KCNA in English 0429 GMT 5 Apr 86

[Text] Pyongyang, April 5 (KCNA) -- Comrade Todor Zhivkov, general secretary of the Central Committee of the Communist Party of Bulgaria [CPB] and president of the State Council of the Bulgarian People's Republic, on April 3 met Comrade Pak Song-Chol, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-president, who was leading the WPK delegation to the 13th Congress of the CPB, according to a report.

Comrade Todor Zhivkov expressed deep thanks to Comrade Kim Il-song for sending a high-level delegation to the 13th Congress of the CPB. He asked the head of the delegation to forward warm greetings of the CPB Central Committee and his own to Comrade Kim Il-song and Comrade Kim Chong-il.

Comrade Pak Song-chol expressed deep thanks for this and conveyed cordial regards of the great leader Comrade Kim Il-song and dear Comrade Kim Chong-il to respected Comrade Todor Zhivkov.

Touching upon the friendly and cooperative relations between the two parties, two countries and two peoples of Bulgaria and Korea, Comrade Todor Zhivkov expressed satisfaction over the daily development of these relations. He stated that Bulgaria supports the Olympic cosponsorship proposal of the Democratic People's Republic of Korea as regards the 24th Olympic Games.

The conversation took place in a cordial and friendly atmosphere.

FINANCE MINISTER REPORTS TO SPA ON STATE BUDGET

SK080501 Pyongyang KCNA in English 0444 GMT 8 Apr 86

[Text] Pyongyang, April 8 (KCNA) -- Deputy Yun Ki-chong, minister of finance, made a report "On the Summing Up of the Fulfillment of the State Budget of the Democratic People's Republic of Korea for 1985 and on the State Budget for 1986," the second agenda item, at the second day sitting of the fifth session of the Seventh Supreme People's Assembly held on April 8.

According to the report, the state budgetary revenue last year amounted to 27,438,870,000 won, 0.2 percent above the plan. This is an increase of 4.3 percent above the 1984 figure. Over the past 40 years, the scale of the state budget has increased over 1,600 times.

The state budgetary expenditure last year was 27,328,830,000 won, 99.8 percent of the plan or 4.5 percent up on the 1984 figure.

Therefore, last year's state budget was successfully fulfilled with a financial reserve amounting to 110,040,000 won after fully meeting the vast needs for funds to put into effect the state policies for the socialist economic and cultural construction and the improvement of the people's welfare.

Last year the state allotted 51.6 percent of the investments in productive capital construction to the extracting industry, railway transportation and metal industry. As a result, the reconstruction and expansion projects at the Anju District coal mines and the Musan mining complex were accelerated and many construction projects including the second-stage expansion project of the Kim Chaek iron and steel complex were vigorously pushed ahead.

10 percent more funds than in 1984 were appropriated last year for transport, with the result that the material and technical foundations of railway transport were expanded and cemented and its capacity increased to a large extent. The construction of power stations in Taechon and Wiwon and lock-gate power stations and the project of increasing the magnesia clinker production capacity in Tanchon District made a successful progress.

In the engineering industry "the June, 1985, let-one-machine-tool-make-another movement" was vigorously unfolded, with the result that in a little more than half a year, great innovation was effected with the successful production of over 5,000 large-size machine tools and special machine tools and various other up-to-date machine tools, 10,000-ton power press and a large-size oxygen plant with a capacity of 6,000 cubic metres.

Light industry factories were readjusted and replenished and their technical foundations further reinforced and over 14,400 daily necessities shops, workteams, home workteams and sideline workteams formed. Big successes were registered in fisheries and agriculture, too.

Large-scale capital construction projects were successfully carried out to build over 80 modern factories, enterprises and workshops as well as locks, spillways and other main structures of the Nampo barrage.

To cope with the situation aggravated due to the new war provocation manoeuvres of the U.S. imperialists and their stooges, the government of the Republic last year disbursed 14.4 percent of the total state budgetary expenditure to national defence and thoroughly implemented our party's military line of self-reliance in defence, further augmenting the nation's defence capabilities.

Last year the government increased expenditures for social and cultural measures 2.6 percent, for education 4.2 percent and for public health 4.1 percent above the 1984 figures.

Last year the project of rebuilding and expanding the revolutionary martyrs cemetery on Mt. Taesong was completed and the construction of Pyongyang Korra hotel, the second-stage construction of Changgwang Street, the building of the Manguongdae wading pool and other monumental edifices were carried out.

A signal step was taken last year to introduce the social maintenance system for cooperative farmers in accordance with the popular policy of the Workers' Party of Korea.



The reporter stressed that all the proud successes achieved in socialist economic construction and fulfillment of the state budget last year are brilliant results of the wise guidance of the great leader President Kim Il-song and precious fruition of the devoted labour of our people who are marching forward dynamically under the banner of our party.

The reporter referred to the 1986 state budget. According to the reporter, the state budgetary revenue and expenditure for this year are expected to reach 28,481,540,000 won respectively. The state budgetary revenue for this year will increase 3.8 percent and the state budgetary expenditure 4.2 percent above last year's.

The expenditure for the national economy will increase 5.8 percent above last year's and a greater part of it go to the capital construction for laying a solid foundation of the national economy. In the state budget for this year a huge sum of funds, 12 percent greater than last year's, will go to the coal, mining and power industries.

The reconstruction and expansion of the Anju District coal mining complex will be pushed ahead to open new pits, the Changdong and Sosa coal mines be put into operation and other projects will be carried out to boost coal production capacity and the projects to increase the excavating capacity of the existing mines and open new mines will be accelerated to produce more non-ferrous metals of various kinds. And great efforts will be directed to the project for expanding the production capacity of the Tanchon magnesia plant to sharply boost the production of magnesia clinker.

In the power industry, the construction of the Kumgangsan and other large hydraulic power stations which are of weighty importance in developing the power industry of the country will start this year.

Investments in the metal industry will increase 13 percent as against last year to accelerate the second-stage expansion project of the Kim Chaek iron and steel complex and further consolidate the independence of the metal industry and its technical foundation.

The engineering industry will increase the production of various modern machines and equipment, generating equipment and equipment for metal, chemical and building-materials factories, and electronics, automation elements, electronic devices and automation gauges and appliances.

The government of the Republic will appropriate for railway transport 9 percent more fund than last year for its development. The laying of rails will be energetically stepped up along the northern railway line, the laying of double tracks and sidings in sections with heavy traffic be accelerated and 200 kilometres of railways be electrified.

Investments in the chemical industry will increase 20 percent above last year and the construction of the Sunchon vinalon factory be carried on in a big way to build a vinalon production process with a capacity of 25,000 tons at the first stage and an annual production capacity of 100,000 tons within a few years to come.

In the light industry, the existing factories will be readjusted and replenished and the technical equipment of local industrial factories be improved to produce high quality consumer goods in larger quantities.

Investments in the rural economy will grow 6 percent above last year.

In this field the material and technical foundations of agricultural production will be consolidated and farming be done as required by the chuche farming method to increase grain production and develop vegetable cultivation, pomiculture and animal husbandry.

The state will spend a colossal amount of fund this year to complete the construction of Puksae Street and Podunamu Street and the second-stage construction of Chollima Street, then start the construction of modern Kwangbok Street in Pyongyang and build up Hamhung City into an ultra-modern one.

The state will increase investments in scientific work 30 percent over last year and direct a large sum of funds to the realization of electrification, mechanization, automation and robotization.

The expenditure for social and cultural measures will swell 2.3 percent compared with last year.

The great leader President Kim Il-song sent to the children of Korean residents in Japan educational aid fund and stipends amounting to 37,302,812,433 yen in 98 installments till the end of last year. A colossal amount of fund will be remitted this year, too, as educational aid fund and stipends for them.

An enormous amount of fund will be directed this year to the construction of sports and cultural facilities. The state budget also envisages huge spendings aimed to effectively carry out popular measures in our country. In particular, the state will give again good clothes and foodstuff to all children and students, more than a half of the population, on the occasion of the 15th of April, the most auspicious holiday of the nation.

This year the government of the Republic will direct 14.1 percent of the total state budgetary expenditure to national defence to further consolidate the defence capabilities of the country.

In conclusion the reporter said: This year's state budget is an independent and solid budget for economic construction, which firmly backs up financially the successful implementation of our party's policy of socialist economic construction set forth by President Kim Il-song and a popular budget which firmly guarantees the consistent betterment of the material and cultural life of our people.

The reporter referred to tasks for the successful fulfillment of the state budget for 1986.

YI WARNS OF DPRK INFILTRATION TO DISRUPT OLYMPICS

SK050134 Seoul YONHAP in English 0122 GMT 5 Apr 86

[Text] Seoul, April 5 (YONHAP) -- North Korea has bought up-to-date weapons from the Soviet Union and is preparing to hamper South Korea's hosting of the 1988 Summer Olympics, South Korean Defense Minister Yi Ki-paek said Friday. In testimony before the National Assembly's Defence Committee, Yi said that Pyongyang adheres to Moscow's policies in order to get Soviet recognition of its plan to pass power from Kim Il-song to his son Chong-il and to acquire military technology from the Soviet Union.

Pyongyang is expected to intensify its efforts to infiltrate South Korea and to stage provocations this year in order to obstruct the Asian Games, scheduled for Sept 20 to Oct 5, Yi said. The defense minister disclosed that the supreme commander of the North Korean Armed Forces delivered an order to his troops on Feb 10 to prepare for combat.

Gen Pak Hui-to, South Korean Army chief of staff, said that the Army will gradually take a military counterattack posture to thwart North Korean provocations aimed at disrupting the Asiad and Olympiad. Gen. Pak said that the Army will do its utmost to retain its superiority over the North Korean Army by maximizing its combat capability in the early stages of armed conflict, by perfecting its early warning and surveillance systems, by completing the mechanization of its forces, by strengthening its offensive mobility and by enhancing its overall combat capability.

SEOUL SINMUN VIEWS DPRK GROWING MILITARY THREAT

SK041405 Seoul SEOUL SINMUN in Korean 4 Apr 86 p 2

[Editorial: "Threat Is Gaining Added Weight Thanks to the Close Adherence Between the Soviet Union and North Korea"]

[Text] One of the most important things which we must guard against with regard to recent developments in the situation on the Korean peninsula is that military relations between North Korean and the Soviet Union are being conspicuously tightened. The military cooperation between the two countries, which is being strengthened, is not only greatly enhancing North Korea's fighting power and mobility, but also poses a serious threat to us because it indicates that the Soviet military forces are moving southward, in fact, as far as the Korean peninsula, in view of the fact that we have great national events to hold in the future in particular.

It is because today's military situation not only greatly threatens the security in Korea, but also is directly related to U.S. strategy toward the Far East and, going one step further, its world strategy, that the Korea-U.S. Security Consultative Meeting held for 2 days in Seoul discussed this issue as the central agenda item. In view of the scale of the military forces that have been accumulated in the North and South over the past 30 years and in view of the geopolitical position of the Korean peninsula, a war in this region, if it ever breaks out, will apparently escalate into a global conflict, going over the boundaries of a localized dispute.

It is because there is a great possibility that North Korea might see the next 2 to 3 years as a period of vulnerability for us during which we are to go through great national events and that it might choose the period as the time to provoke a conflict, that the military leaders of the two countries -- Korea and the United States -- decided that the current military situation has entered a most important phase since the truce signed in 1953.



#### Soviet Reconnaissance Planes Fly Over the Korean Peninsula

It was during the days that followed Kim Il-song's visit to Moscow in 1984 that the Soviet Union earnestly began to extend military assistance to North Korea. The Soviet Union had its own special reasons why it began to give large-scale assistance to North Korea, which was in economic trouble.

In return for granting Kim Il-song's request for military assistance, the Soviet Union has obtained a strategic quid pro quo far more important than the military assistance promised to North Korea. In the course of such a bargain, North Korea managed to get its hands on a large number of high-performance MiG-23 fighters and (?ground)-to-air missiles and in exchange for this promised to provide various conveniences for Soviet Air Force and naval activities in North Korea.

At present, not only Soviet reconnaissance planes are committing espionage acts over the whole area of Korea by flying over the airspace of North Korea, but also some Soviet fighters are even engaged in exercises of southward sorties. Not content with this, the Soviets reportedly are persistently demanding that North Korea offer Wonsan and Nampo as naval bases for the Soviet Union. With the Soviet military forces making a southward advance as such, the Korean peninsula is in fact becoming an area of Soviet military operations.

The goal behind the Soviet vision of an all-Asia security is to force all of the foreign military bases in this region to withdraw. When this is applied to Korea, it means that Korea dismantle its alliance with the United States. The withdrawal of the U.S. troops from Korea, which North Korea schemes openly through its diplomatic efforts and covertly through North-South dialogue, can be viewed in the same context of the so-called Soviet vision of an all-Asia security.

Military specialists from both Korea and the United States have paid special attention to the deployment of military forces in forward areas and the enhanced mobility of the military forces in forward areas and the enhanced mobility of the military forces in North Korea among other military movements. North Korea reportedly has completed organizing and deploying military forces for surprise blitzkrieg battles in such a way as to deny us time to detect their attacks in advance and quickly sound an alarm.

#### Reducing the Time for Warning

North Korea's forward deployment of 65 percent of its entire forces close to the DMZ; improvement of the mobility of its land forces; and construction of airports just north of the DMZ are all part of the organization and deployment of military power designed not to give us enough time for warning. Their blitzkrieg strategy is also aimed at taking a war initiative before reinforcements of U.S. forces arrive in Korea.

With these military preparations, they have reduced the time it takes to launch a surprise strike against our metropolitan area from the previous 17 minutes to 8 minutes. Our warning capability is under much pressure from such a change in the situation. As they agreed in the recent consultative meeting, Korea and the United States must accelerate the improvement of the early warning capability and make efforts to practically expand the exchange of strategic information between the two countries.

We cannot but point out North Korea's abrupt strengthening of its air power as another component of its military threat.

For the past year, they have been provided with 20 to 30 MiG-23's by the Soviet Union and it is said that the scale will be continuously expanded in the future. As a counter-measure to this, we decided to deploy F-16 fighters for actual combat staffing this year. However, we must not let our concern over this sector slip even for a moment.

#### Concern Over the 1988 Olympics

Korean-U.S. joint defense is the crux of Korean-U.S. relations. Even though, previous sessions of the Security Consultative Meeting had brought about very productive results, this year's session was of extraordinary significance. This is because the two countries agreed that the situation on the Korean peninsula for the next few years is of great significance and because they provided concrete countermeasures in preparation for an emergency.

We cannot deny the possibility of North Korea's provocation of a war in an effort to hinder the 1988 Olympic Games, which will deal a decisive blow to it. Nobody knows if under the circumstances in which it may suffer a blow from our success in the Olympics, even without using its enormous military power -- which has since been strengthened -- North Korea may attempt to hinder the Olympics by provoking a dispute.

Nobody knows if they may attempt to curb the will of countries to participate in the Olympic Games by committing terrorist acts and by destroying installations through sending commando units in the rear, thus creating social unrest, or if they may attempt to ruin the games head-on through open provocation.

Although it is unusual that military experts pledged to make efforts to successfully hold the Seoul Olympics, giving this as much importance as military issues, they did so because our situation in connection with the Olympic Games is so serious.

#### PRESIDENT VISITS ENGLAND ON 4-NATION TOUR

For reportage on the visit of President Chon Tu-hwan to England and his talks with British leaders, see the United Kingdom section of the 8 April Western Europe DAILY REPORT and subsequent issues.

#### CHON TOUR SIGNIFIES 'POSITIVE ATLANTIC DIPLOMACY'

SK052328 Seoul THE KOREA HERALD in English 6 Apr 86 p 4

[Editorial: "Chon's Atlantic Diplomacy"]

[Text] It was a century ago that Korea, then called "the hermit kingdom" opened its door, though unwillingly, to the introduction of Western culture and civilization. This was assisted largely by major European countries which, significantly, have developed friendly ties with Korea ever since.

We can never forget the support they have consistently rendered on behalf of Korea, including the dispatching of their own troops during the Korean war to help South Korea to repel the North Korean Communist invaders. Yesterday, President Chon Tu-hwan left Seoul for a four-nation European tour which will taken him to Britain tomorrow, then onward to West Germany, France and Belgium. All are nations who played a leading role in introducing Western civilization a century ago.

On both an emotional and practical level, President Chon's official trip to these European countries, the first ever made by a Korean head of state, carries great significance. As he said in his departure statement, the tour is significant in that Korea, which opened its door with fear and trepidation only a century ago, is "now, of its own accord, going to knock on their doors as an equal."

Furthermore, the trip signifies a new dimension in Seoul's foreign relation -- a positive Atlantic diplomacy. The century-old amicable bonds Korea has developed with those European countries have, undeniable, laid the groundwork for a "booming" second century. It is time for us to elevate our traditionally friendly relations into a genuine partnership.

These four European countries are surely the engines of the West, and their influence is immense in shaping world politics and the world economy. Beefing up economic cooperation with them is, therefore, necessary for Korea to ensure its economic viability by diversifying its economic partners.

In that sense, President Chon's scheduled visit to the Commission of the European Community is looked upon as another opportunity to bolster economic ties between Korea and Western Europe. Diversifying economic partners will surely help Korea to cope with the growing tide of trade protectionism.

President Chon's talks with the European heads of state will hopefully lead to boosting trade between Korea and these Western countries, while accelerating technological cooperation, a factor needed to improve the international competitiveness of Korean products through the sophistication of the nation's industries.

The security of Europe is becoming increasingly interrelated with that of Northeast Asia. At this juncture, it must be noted that the security of South Korea is pivotal to the peace and stability of Northeast Asia, owing to the Korean peninsula's strategic geopolitical position. This issue will assuredly be among the topics discussed at the upcoming summits.

It is from this standpoint that Seoul's ongoing efforts to sustain proper security readiness and to advance the inter-Korean dialogue and thus ease tensions on the peninsula need to be understood in European capitals. By the same token, our efforts to make this year's Asian Games and the 1988 Olympiad successful need to be better supported in view of the peace- and friendship-oriented purpose of the sports events.

Better mutual understanding is, no doubt, a prerequisite to better mutual cooperation. Herein lies the necessity of promoting cultural exchange programs. This question must also be given due attention during President Chon's tour. With all these areas taken properly into account, we are hopeful that his trip will lead to making the second century of Korea's relations with the four countries to be visited an era of greater benefit for all involved.

#### BRIEFS

IPU DELEGATION TO MEXICO -- A seven-member delegation of the National Assembly will leave this evening for Mexico to attend the 75th Inter-Parliamentary Union Conference. The delegation is led by Rep Kwon Chung-tal, chairman of the Home Affairs Committee, and also chairman of the Korea-Mexico Parliamentarians Friendship Association. The members are Chong Sun-ho and Kim Yong-chung of the ruling Democratic Justice Party, Pak Chan-chong and Cho Sun-hyong of the main opposition New Korea Democratic Party, and Yi Pong-mo of the second opposition Korea National Party. Rep. O Se-ung of the DJP, an executive member of the IPU, had already departed for Mexico. The conference will be held April 7-12. [Text] [Seoul THE KOREA TIMES in English 5 Apr 86 p 1 SK]



SAN YU PRESENTS TITLES FOR VALOR, COURAGE 5 APR

BK050754 Rangoon Domestic Service in Burmese 0630 GMT 5 Apr 86

[Excerpt] A ceremony for presentation of titles and decorations was held in the theater of the People's Assembly building in Rangoon at 0900 today. President U San Yu personally presented titles for valor and courage to the recipients at the ceremony. The president also assigned duties to the six chairmen of the State and Divisional People's Councils for presentation of decorations for excellent performance to the recipients on his behalf.

The ceremony for presentation of titles and decorations was attended by members of the Central Executive Committee of the Burma Socialist Program Party; the Council of State; the central organs of power -- the Council of Ministers, the Council of People's Inspectors; deputy ministers; personnel from the party central headquarters, the Workers Organization Central Body, the Peasants Organization Central Body, the Lanzin Youth Central Organizing Committee, the Rangoon Division Regional Party Committee, the Office of the President, the Office of the Council of State, the Office of the People's Assembly, and the Council of Ministers; chairmen of the State and Divisional People's Councils; members of the Central Executive Committee of the War Veterans Organization and the Public Service Selection and Training Board; ambassadors, charges d'affaires ad interim, military attaches of diplomatic missions stationed in Rangoon; officials from UN organizations; senior military officials from the Defense Ministry and the Mingaladon Military Camp in Rangoon; members of the local and foreign press; members of the committee for presentation of titles and decorations and support committees; recipients; representatives of recipients; and guests.

MORE OF 'POLITICAL REPORT' ON ECONOMY, RIGHTS AIRED

BK060912 (Clandestine) Voice of the People of Burma in Burmese 1200 GMT 4 Apr 86

["Continuation of the Political Report of the Burma Communist Party Central Committee Presented to the Third National Party Congress" -- read by announcer]

[Text] Under the military government only the bureaucrat capitalist clique and a handful of black marketeers become wealthy and prosperous while the workers, peasants, urban poor, and petit bourgeois become poorer and more impoverished every day. For most people, living becomes extremely difficult as goods become scarce, value of currency declines, prices of goods soar, and transport and communications become difficult. It comes as no surprise that Burma under the exploitation and oppression of the military government is listed 10th among the world's overall picture of its politics, and the key and inherent character of its politics is manifested in its single-party dictatorship.

Democratic rights of the people have disappeared because of the dictatorship of the Burma Socialist Program Party [BSPP] -- a military party. All basic democratic rights -- the right to free expression through writing, speech, or publication, to assemble and demonstrate, to form organizations or associations, and to choose one's religion -- have all been abolished. There is only the right to engage in BSPP politics and to hold BSPP meetings. Opposition to the military government is completely banned, and even rights commonly granted under bourgeois democracy have disappeared. Arrest and detention of politicians and those opposing the government without any legal grounds continue unabated. The trend of arresting first and staging trials only when they feel like it and of imprisoning people for many years without trial also continue. [VOPB says: The continuation of the Political Report of the Burma Communist Party Central Committee presented to the Third National Party Congress will be broadcast in upcoming programs]

NEY PENA ADDRESSES 13TH BCP CONGRESS IN SOFIA

BK071302 Phnom Penh SPK in English 1129 GMT 7 Apr 86

[Text] Phnom Penh SPK April 7 -- "We are strongly convinced that under the leadership of the Bulgarian Communist Party and with a correct political line, the Bulgarian people will well carry out the resolutions and the main objectives set by the 13th party congress," said Ney Pena, Political Bureau member of the Central Committee of the People's Revolutionary Party of Kampuchea, at the recent BCP Congress in Sofia.

In his speech Ney Pena talked of the fifth congress of the KPRP held in Phnom Penh late last year. He said the congress constituted an historic event to the Kampuchean people and noted that it set forth strategic tasks for the Kampuchean people in defending national independence and building their country along the line of socialism.

Ney Pena recalled the great victories recorded by the Kampuchean people in the past seven years, particularly in the 1984-85 dry-season. On the friendship relations between Kampuchea and Bulgaria, he said:

"It is true that the two countries are geographically far apart, but the relations and cooperations between the two parties and peoples have consolidated and developed constantly on the basis of Marxism-Leninism and in the spirit of proletarian internationalism."

"On behalf of the party, the government and the people of Kampuchea, we profoundly thank the party, the government and the people of Bulgaria for their assistance and support to us," Ney Pena said.

He continued by saying that "to achieve the tasks of national construction, the Kampuchean people, like the Bulgarian people and other peoples of the world, earnestly want a world without war and with cooperation and mutual comprehension among states. He noted that the U.S. imperialist warmongers and other forces of reaction are incessantly stepping up the arms race and the militarization of outer space to gain military supremacy over the world, increase intervention in the internal affairs of sovereign states, check the quest for peaceful settlements to all problems, and increase the danger of a nuclear war.

"The People's Republic of Kampuchea fully supports the peace initiatives advanced by M. Gorbachev, general secretary of the CPSU Central Committee, especially the concrete proposals for the complete elimination of all nuclear weapons by the year 2,000 and the peace proposals of other socialist countries, particularly Bulgaria's proposal to make the Balkans a nuclear-free zone," Ney Pena said.

He added that the proposals of good will of the three Indochinese countries were designed to put an end to confrontation and start negotiations for the settlement of all problems in the region and turn Southeast Asia into a zone of peace, stability and cooperation, thus actively contributing to the struggle for world peace.

"The PRK voices full support for the struggle of the peoples in Asia, Africa, and Latin America for independence, peace and a new world economic order," Ney Pena further said.

MEN SAM-AN REPORTS ON 27TH CPSU CONGRESS

BKO61330 Phnom Penh Domestic Service in Cambodian 1300 GMT 4 Apr 86

["Excerpt" of report by Men Sam-An, member of KPRP Central Committee Political Bureau, at 2 April meeting in Phnom Penh on activities of KPRP delegation attending 27th CPSU Congress -- recorded]

[Text] After the return home of our party delegation, the Political Bureau held a meeting to listen to Comrade General Secretary Heng Samrin reporting on the results of the 27th CPSU Congress. The Political Bureau also decided to disseminate among leading and core cadres the significance and aims of the 27th CPSU Congress.

Today, I have the permission of the party delegation attending the CPSU Congress to disseminate the proceedings and significance of the congress and the experiences we can draw from it for educating and guiding our party members to gradually build our country through stages toward socialism. The plenary session of the CPSU Central Committee in April 1985 outlined profound changes for all the Soviet society, particularly in the fields of knowledge and understanding, the movement to carry out revolutionary tasks vigorously according to the set targets, and the expansion of the economy and social field. This is a direct contribution to the success of the congress.

There were 4,493 delegates attending the congress representing almost 19 million members of the CPSU. There were also 152 delegations representing various communist parties, workers' parties, and progressive and revolutionary organizations the world over from 113 different countries. There were 1,705 Soviet reporters and 1,016 foreign journalists.

During the congress, the collective will, intelligence, and dynamism of the Soviet people were expressed. They have carried out activities in the spirit of socialism: Everything for mankind and everything for mankind's happiness. This happiness should be linked with peace which the Soviet people will achieve for all of mankind. The congress was a precious model of international solidarity of communists and progressive people the world over who have fought for peace, national independence, and socialism.

I would like to talk now about the attention the CPSU paid to our delegation. From the time we arrived at the airport, everywhere we went we saw smiles and happy feelings welcoming our KPRP delegation. Joy was expressed at the recent victories and resolutions of our party's fifth congress. This was done with happiness and pride -- pride because our party and people have followed the path of the great Lenin and have closely linked themselves to the party and land of the Great Lenin. The congress debated and unanimously adopted the decision expressed in the political report of the Central Committee read by Comrade General Secretary Gorbachev, the resolutions concerning the goals of expanding the economic and social fields in the USSR between 1986 and 1990 and up to the year 2000, and other important resolutions.

The congress elected members of the CPSU Central Committee. There were 307 full members, 170 alternate members, and 83 members of the Central Control Commission. The congress elected 12 full members of the Politburo, 7 alternate Politburo members, and 11 members of the Secretariat. Comrade Gorbachev was reelected general secretary. All the documents and addresses presented and adopted during the congress represent a profound doctrinal and realistic summary on many issues. They were both general and realistic, particularly when dealing with building socialism, building the party, struggling against imperialism for peace, and so on.



The spirit and attitude at this congress reflects a high sense of responsibility with a democratic character, discipline, realistic attitude, high efficiency, and sincere spirit of criticism and self-criticism.

On the economic, cultural, social, and military fields, our party organizations and state powers, mass organizations, cadres, and party members from higher levels down to grassroots, should try to understand and draw experiences in a lively and realistic manner from the 27th CPSU Congress. Later on, when official documents are available in Cambodian, we will publish them in book form in order to study and discuss them, implement revolutionary tasks appropriate to each service and to the whole country, and temper the efforts of each one of us. Today, we would like to deal with various issues which attracted our delegation's attention and from which we can draw experience. Those related to the real situation of our Cambodian revolution will be extracted and disseminated.

First, the congress summed up experiences in building and perfecting socialism. During the past almost 70 years, the Soviet Union has provided assistance to fraternal parties and countries and shown them the revolutionary way. The congress clearly and realistically shows the building of socialism in the USSR. This should be done through three stages. The first stage is a transitional one; the second deals with building socialism; and the third concentrates on perfecting socialism. In each stage, the significance is increased step by step, meaning that the laws of each stage should be grasped. Each stage follows a different methodology to make it a reality. This does not allow for any arbitrary short cut or jumping of stages. Doing things on impulse is not allowed. The level of scientific and material knowledge and social conscience should be taken into account before implementing tasks.

Furthermore, conservative snags should not be allowed to interfere or hinder the necessary objective and realistic changes which occur. The congress analyzed the laws and regulations which have influenced the progress of socialism. These concern the issue of building workers' state powers; constant strengthening and expansion of the leading role of the party and the working class; constant strengthening of relations concerning property, administration, and sharing; expansion of the socialist democratic base; implementation of equal rights, rights of self-determination, and mutual assistance among ethnic groups; defense of revolutionary gains; opposition to the enemy's destructiveness; and increased relations within the socialist community.

The congress also stressed that experiences remains experiences if they are not implemented with an improvisational spirit; no success can be gained without it. The experience of the USSR affirms that the common tasks and three strategic goals adopted by the party's fifth congress for the present phase of our revolution were correct. We should do research on sharing and determine the stages and laws of progress of a socialist revolution to continue to carry out realistically the current tasks and ponder the next stages of our country's socialist revolution.

Second, the congress was concerned with the path to quickly advance the expansion of national economy and social field; the strengthening of world peace was also a concern affirmed by the congress as was increasing the invincibility of the USSR, the most solid pillar of revolution and peace in the world. The congress also affirmed that the great successes scored since the third program, adopted at the 22nd congress in 1961, have strengthened the USSR economically and in national defense. Funds for national economic development have increased by sevenfold; national income by almost fourfold; industrial production by almost fivefold; and agricultural production by 1.7 times. The USSR leads the world in oil and gas exploitation. It also opens the way to space for mankind and has ensured the strategic balance in the military field. This has resulted in a true reduction of warmongering plans and the capability of imperialism to cause a nuclear war.

The congress clearly pointed out the slow speed of development in the material field, scientific, educational, and public health sectors which should serve the people's culture and life. Daily production output should be increased. A dangerous setback, which occurred between the 1970's and early 1980's, should be reduced. The congress also adopted a strategy to quickly advance the expansion of the economic and social fields of the USSR based on the implementation of advanced technology and science in production and transformation of the administration of economic structures and the administration network. The habit of weakly expanding on a wide front has been abandoned in favor of an intensified and deepened development in specified fields. The aim is that by the year 2000 -- within a period of 15 years -- the current latent production force should be increased by twofold. This force has been accumulated during the past 70 years. This is aimed at producing at a higher quality. This is an enormous and energetic goal, but it has a sound scientific base because the Soviet Union possesses an extensive material and technical base and a latent powerful force in science and technology. The entire Soviet party and people are determined to carry out the responsible tasks for the nation and mankind. The USSR also pledges to adopt a unified program of progress in science and technology among CEMA countries and transform and deepen trade and production relations with fraternal countries.

The congress affirms the major aim of Soviet foreign policy in the coming years is to struggle to implement the program to eliminate nuclear weapons and prevent a nuclear war. The congress clearly points out that imperialism, with the U.S. imperialists as leaders, is the criminal of war and poverty. The congress firmly states that the USSR has no ambitions to be more secure than others; however, it does not accept being less secure than others.

We are very happy and confident with the increasing force of the Soviet economy and national defense. The Soviet Union is the most solid bastion of our socialist community and world peace and revolution. This ensures the irreversible nature of our PRK.

Third, the congress affirmed that man is an important labor force and the soul of progress. It also affirmed the leading role in every field of the party and the responsible task of party members in the cause of the Soviet people who will strive to reach another new height. Concerning the material and technical conditions of the Soviet Union, the increasing role of science and technology, and the quick advance of the economic and social fields, the political report still affirms that the real factor is man, because he is an important catalyst and the soul of progress. In short, the success of any task depends on the active contribution and a certain conscience of the people. The congress highlighted the role of education and the constant care for labor forces and the living standards of the masses in expanding the spirit of collectivities.

The resolutions adopted by the congress states that anything in the activities of major leading cadres which does not respond to the people's needs and abuses cannot be forgiven. The congress stressed heavily that CPSU members should lead construction tasks and serve as models without thinking of personal interests. They should implement tasks for the people unconditionally and maintain a responsible spirit for the next generations. They should stop anyone who tries to join the party for advancement or personal interests. This kind of people should not be allowed to infiltrate the party. As for leading cadres the congress pointed out their qualities: stable character, high political ability, adeptness in their tasks and in setting up work programs in collectivities by encouraging the people through individual example, firm sense of correctness, and constant desire to deal warmly with the masses for the latter's interest and needs. The congress stresses the need to eliminate the danger of covering up or elevating cadres in accordance to their loyalty toward individuals or toward a particular region. Leading cadres should combine experienced and young cadres in their administration.

Between 1976 and 1980, within the CPSU, there were 300,000 members who had their membership cards withdrawn. Between the 26th and 27th party congress, 91,000 alternate party members had not been recognized as full members. This is a precious lesson for building our party in accordance with the Leninist view which our party's fifth congress affirmed that it is the highest view in binding the party and the people.

Fourth, the congress praised the communist way of doing things. During the CPSU congress, the old way was firmly opposed. This includes rankism, indifference, irresponsibility, boasting of one's own exploits, refusal to accept criticism and practice self-criticism by putting blame on others, greed, laziness, and flattery. In its resolutions, the congress affirmed that, within the party, there should not and will not be organizations which escape control and refuse to accept criticism and cadres who are not responsible to the party. At regional party meetings and the party congress, various delegates openly voiced their criticism. Self-criticism and criticism were expressed sincerely and in practice have improved the relationship between the party and the people. Therefore, the party's prestige and strength have been heightened. This is a concrete, useful, and necessary lesson for us in the present time.

Our party delegation, led by Comrade General Secretary Heng Samrin, included myself, Comrade Im Chhun Lim, and Comrade Hor Nam Hong. We took part in the 27th CPSU Congress and happily returned home with pride and confidence. While attending the party congress, our delegation laid a wreath at the monument to the dead. At the congress, Comrade General Secretary Heng Samrin was among the 56 party delegation heads which formed part of the congress presidium. There were 152 foreign delegates at the congress. Comrade General Secretary Heng Samrin addressed the congress as one of the 56 heads of party delegations. Other heads of delegations spoke at various meetings. The comrade general secretary's address was attentively listened to and enthusiastically welcomed by the audience. At the same time, on behalf of our delegation, I addressed the meeting of the regional party and people in Kiev.

Comrade General Secretary Gorbachev received Comrade General Secretary Heng Samrin. The two party leaders expressed their desire to further expand the relations and cooperation in every field between the two party and states for the interest of the two countries and for peace in Southeast Asia, and in the world.

Comrade Gromyko, member of the Politburo and president of the USSR Supreme Soviet Presidium, also received our comrade general secretary. After hearing about the Cambodian situation, Comrade Gromyko congratulated the victories of our party and people and declared that in any circumstance, now and in the future, the Soviet people will be with you, shoulder to shoulder with you, particularly in restoring the economy. The comrade declared that we would like to once again affirm that the Soviet Union highly appreciates the common correct policy of the three Indochinese countries in the region.

The comrades in the Foreign Relations Department also exchanged information with the delegation. The CPSU Central Committee agreed to a number of our requests.

During the congress, Comrade General Secretary Heng Samrin held a press conference at the congress press center. The delegation nominated me to take part in discussions with 500 professors, students, and scholars from about 70 fraternal parties which are not in power at the Academy of Social Sciences in Moscow. The delegation visited a number of other places. In sum, wherever we went, we received profound attention for the revival and progress of our country and people.



The USSR is the first country in world history to have paved the way for building socialism. It is the most powerful country in the socialist community. It is the most solid pillar of revolution and peace in the world. The 27th CPSU Congress reflects the sum of the will, genius, powerful force, unity among Soviet nationalities, and international solidarity, first of all solidarity in the socialist community. Firmly believing in the powerful force of the USSR, the Cambodia-Vietnam solidarity, the three Indochinese countries' solidarity, and the socialist community, and learning from the precious experiences of Soviet Union and fraternal countries, we are firmly moving forward.

Once again, we would like to convey to the CPSU, the Soviet People, Comrade General Secretary Gorbachev, and Comrade Chairman of the Presidium Gromyko our wishes and finest compliments. [Applause] The Cambodian revolution will certainly score a complete victory! [Applause] World peace will certainly and firmly be safeguarded! [Applause]

#### KANGTOAP PADEVOAT ON TEMPERING ETHICS, CHARACTER

BK060839 Phnom Penh Domestic Service in Cambodian 1200 GMT 4 Apr 86

[KANGTOAP PADEVOAT editorial: "Temper Ethics and Character in Order To Become the Army of the Working Class"]

[Text] Tempering ethics and character to deserve being the army of the working class is an important matter for becoming the determining core of the great strength of the revolution, and it goes along with the growth of our Cambodian Revolutionary Armed Forces.

With the direct leadership of the working class party, during the past more than 7 years our Army has developed and strengthened itself steadily and gradually, advancing toward mastery in all aspects. Based on the spirit of close solidarity with the Vietnamese Volunteer Army and enjoying the support and assistance of the people, our cadres and combatants have been endowed with better possibilities to smash and crush the traitorous Pol Pot gang and other reactionary Cambodian groups along the Cambodian-Thai border, preventing and checking in time all their sabotage activities for the people.

At this stage when the revolutionary movement is advancing firmly step by step through the transitory period toward socialism, the question of tempering the working class ethics and character has become an indispensable factor and a reality of the revolutionary Army, which is a very sharp instrument of proletarian dictatorship for the protection of the working class party. The working class is a class that has complete allegiance and loyalty to the nation, a class that dares to make sacrifices and spurns hardship and difficulty in defending the independence and freedom for the people. It is a class that upholds unity and advocates mutual help in all fields of work. The working class is a vanguard class having been through multiple resolute struggle phases. Its resources in combat are unlimited and perennial. It creates all kinds of wealth and materials, promotes the social and cultural consciousness, and assists the national community in relentlessly progressing toward glorious and fresh development.

The working class has a tradition of solidarity with other working and labor classes the world over, forging enlightened bonds of proletarian internationalist solidarity, and daring to sacrifice one's own life in order to save the lives of the peoples of other countries endangered by oppression and exploitation of all types of oppressive and exploiter class. It is well known for its patience, industriousness, cleanliness, simplicity, and thrift.

The victories of the Cambodian revolution have clearly shown that upholding the character of the working class is the key, the pillar guaranteeing these victories.

For this reason, the work to inculcate the working class character upon the people in general and upon the Armed Forces, which are the tool of violence of our revolution, in particular constitutes one of the major factors determining our strength and firmness. Inculcating the working class ethics and character upon our Armed Forces may very well promote the working qualifications, ethics, and capability of our Armed Forces and turn them into strong cadres having good senses and will and endowed with strong political, ideological, and organizational qualities.

In short, the ethics and character of the working class constitute a source from which we derive all possibilities to fulfill every task of the party to deserve being the real force of the revolution. The pure character of the Army of the new regime diametrically opposed to and different from the mandarinism, rankism, militarism, bureaucratism, aloofness vis-a-vis the people, and exploitation of the people displayed by the armies of the old societies, especially the Pol Pot army which was the most savage, brutal, and inhuman tool for the massacre of the people.

The growth of our Army has taken place at a fast rate and it has been concentrated mainly on the attacks against the enemy. This has resulted in the fact that the tempering of its character remains limited. Therefore, in order to make our army strong in all aspects, it is imperative to inculcate the working class views and stand upon and provide political training for our cadres and combatants, making our Army firmly grasp correct revolutionary views, scientific understanding, and good organization. It is imperative to make them strictly observe discipline with the subordinates respecting their superiors and the superiors setting good examples for the subordinates.

It is imperative to have specific plans for frequent trainings during which the working class ethics and character are clearly explained and brought into clear comparison with the perverted and hooliganist ethics and character of the armies of former societies.

Grasping all of the above-mentioned matters, our Army must spare no efforts to temper its ethics and character to deserve being the army of our working class. Although we know that we will have to overcome and work through many difficulties and complications for a long period of time, all of us must strive to carry this out immediately with a high sense of industriousness, joining hands with each other in making these efforts a habit to advance toward greater improvements. Only in this way will our Army firmly and rapidly progress with each passing day and can it fulfill all tasks of the party, contributing fittingly to building our strong and powerful working class party.

#### VONADK ON KHIEU SAMPHAN'S INTERVIEW IN THAILAND

BK050414 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian  
2315 GMT 4 Apr 86

[Text] In an interview given to an English-language newspaper in Bangkok on 1 April, Vice President Khieu Samphan made further clarifications for all to read about the 8-point peace plan of the tripartite CGDK to settle the Cambodian problem politically. The main topics of Vice President Khieu Samphan's remarks are as follows:

1. The clarifications by Vice President Khieu Samphan were made according to the letter and spirit of the CGDK Cabinet meeting held on 17 March 1986.
2. Regarding this 8-point peace plan to settle the Cambodian problem politically, the tripartite CGDK worked it out both through its own efforts on the basis of the excellent development of the battlefield situation and also after taking into account advice from friends the world over.

Moreover, it was made after firmly grasping the situation of the Hanoi aggressors in the diplomatic and other fields.

3. The 8-point peace plan of the tripartite CGDK was made in the interest of Cambodia which is suffering from Vietnamese aggression, in the interest of the Hanoi authorities who are committing aggression against Cambodia, and also in the interest of peace and security of Southeast Asia, Asia, and the Pacific region. It was also made in accordance with the aspirations of peoples and countries in the world.

For this reason, immediately after the 8-point peace plan was made public, it won the support of China, Thailand, the United States, Japan, Indonesia, Yugoslavia, Tunisia, and diplomats representing more than 100 countries within 3-4 days. These countries have similarly expressed that this plan is a genuine peace plan; a peace plan that will bring solution to the Cambodian problem; a comprehensive, broad, and fair plan; and a peace plan that will benefit all parties.

The general reaction to Vietnam's rejection of this 8-point peace plan is to say that in so doing, Vietnam has clearly shown its warmongering nature and belied the claim that Vietnam wants a political settlement to the Cambodian problem. Some countries reacted by saying that Vietnam's rejection has brought upon it a serious defeat in the face of the world.

4. Vice President Khieu Samphan appealed to Vietnam to accept this 8-point peace plan to settle the Cambodian conflict politically.

KHIEU SAMPHAN: TROOPS TO KEEP ARMS IN CEASE-FIRE

BK060105 Bangkok BANGKOK POST in English 6 Apr 86 pp 1, 3

[Text] Kampuchean resistance leader Khieu Samphan, citing Vietnam's violation of the Paris peace agreement, said yesterday his troops would retain their arms in any political solution to the Kampuchean conflict. Khieu Samphan, speaking at a press conference at Don Muang Airport, said earlier proposals to disarm all groups during a settlement had been changed to a simple ceasefire in a recent peace formula because the Vietnamese could not be trusted.

"We are prompted by a genuine desire for a peaceful political solution, but we have to take account to the experience of the past," he said, according to UPI.

"After the Paris agreements between the United States and Vietnam you remember well that in 1975 Vietnam did not hesitate to send tanks, artillery and troops" into South Vietnam, he said.

"Even after a Vietnamese withdrawal we have to defend the survival of our nation," said Khieu Samphan, leader of the Khmer Rouge faction of the Coalition Government of Democratic Kampuchea. "We know very well the Vietnamese strategy."

Vietnam has criticised the elimination of the disarmament of all factions as a backward step and rejected the coalition government's eight-point peace plan announced in Beijing last month. Khieu Samphan said he did not consider the rejection final and that world public opinion would compel the Vietnamese to consider the plan. He added that the coalition's eight-point proposal to end the Kampuchean conflict has received the full support of ASEAN.



Meanwhile, Deputy Prime Minister Sitthi Sawetsila told the BANGKOK POST yesterday that he was ready to meet with Indonesia Foreign Minister Mokhtar Kusumaatmaja during his visit here next Thursday. He said he would tell Mr Mokhtar of Thailand's views and assessment of the resistance proposal.

Mr Mokhtar is expected to meet with Vietnamese Foreign Minister Nguyen Co Thach on April 16 during the meeting of the Non-Aligned Nations Coordinating Bureau in New Delhi. The Indonesian foreign minister cancelled a planned meeting with Mr Thach in Hanoi next Wednesday on the grounds that it would clash with a politburo meeting there.

ACM [Air Chief Marshal] Sitthi also said that ASEAN has assigned Thailand to brief U.S. President Ronald Reagan during his meeting with ASEAN representatives in Bali on May 1. Both Thailand and Indonesia support the resistance proposal which calls for a two-phase withdrawal of Vietnamese forces and a ceasefire, both to be UN-supervised, followed by negotiations to set up a quadripartite coalition government which will include Heng Samrin.

Khieu Samphan arrived in Bangkok yesterday from Manila after talks with ASEAN officials over their formula for a political settlement. He refused to state which official posts the Khmer Rouge would assume in this government, which would have Prince Norodom Sihanouk as president and Khmer People's National Liberation Front leader Son Sann as prime minister. Asked about Pol Pot, Khieu Samphan said the former Khmer Rouge strongman has retired and was no longer commander-in-chief of the Khmer Rouge Army.

Of the Vietnamese proposal, he said that it addressed ASEAN and the Indochina states which meant that it aimed to get the Vietnamese presence in Kampuchea recognised as a fait accompli.

Khieu Samphan, who was accompanied by Prince Norodom Rannarit, personal representative of Prince Sihanouk and Bun Say, KPNLF minister and member of the Coordination Committee, admitted that Vietnam's Army was difficult to defeat because of its experience in guerrilla warfare. "We have to struggle with an enemy whose infantry is able to practise guerrilla warfare," he said.

He said Khmer Rouge forces had made great progress since they were shattered by the 1978 Vietnamese invasion and were now operating openly deep inside the country. Khieu Samphan said his forces were aiming their attacks at the government infrastructure Vietnam was trying to set up in Kampuchea. "That is their weakest point," he said.

He said the three Kampuchean resistance groups were increasing their battlefield cooperation and recently launched a combined attack on Battambang, the country's second largest city. "On this basis (of joint military operations) we are getting more confidence in each other," he said.

WEINBERGER ARRIVES IN BANGKOK, MEETS WITH PREM

BK071540 Bangkok Television Service in Thai 1300 GMT 7 Apr 86

[Text] U.S. Defense Secretary Caspar Weinberger arrived at Don Muang Military Airport at 1745 today. He will visit Thailand until 9 April.

The prime minister; Air Chief Marshal Phaniang Kantarat, deputy defense minister and American Ambassador William A Brown welcomed the U.S. defense secretary at the airport. After talking to the prime minister, the U.S. defense secretary granted an interview to newsmen at the airport. He said he considers this visit very important. He also brought a message from President Reagan of the United States confirming the good and long-standing relations between the United States and Thailand. The two countries have close ties and cooperate militarily and politically in order to preserve security.

He said he highly appreciated the warm welcome accorded to him by Prime Minister Prem Tinsulanon. During the current visit, he will observe the situation at the Thai-Cambodian border in order to assess the capability of Thailand's border protection as well as the impact of Vietnamese aggression in Cambodia on Thailand. The U.S. defense secretary's visit to Thailand is part of his tour of Asia and the Pacific. He visited Korea, the Philippines, and Japan before coming to Thailand. After Thailand, he will visit Australia.

This is Weinberger's second visit to Thailand, he also visited in 1982. In addition to observing the border situation the U.S. defense secretary is scheduled to meet high ranking Thai authorities tomorrow for discussions on bilateral relations.

PREM ASKS JAPAN DSP CHAIRMAN TO INCREASE IMPORTS

OW041053 Tokyo KYODO in English 1002 GMT 4 Apr 86

[Text] Bangkok, April 4 KYODO -- Thai Prime Minister Prem Tinsulanon has asked Japan to increase imports from his country, a Japanese opposition party mission said Friday. Prem conveyed the request to Saburo Tsukamoto, leader of Japan's No 3 opposition Democratic Socialist Party, who led a mission which arrived here Thursday on the second leg of a nine-day tour of Southeast Asian Tour. Prem pointed to a major trade deficit with Japan, mission sources said. According to Japanese figures, Japan posted a 13.9 billion dollar trade surplus in 1984.

Tsukamoto promised the Thai leader he would deliver the request to Prime Minister Yasuhiro Nakasone, the sources said. Thai Finance Minister Sommai Huntrakun, in a separate meeting with Tsukamoto, asked Japan to expand imports of liquefied natural gas and to promote investment in Thailand, they said. Tsukamoto and his group, who left Japan March 30, earlier visited the Philippines and Malaysia.

GREEK PRIME MINISTER DEPARTS FOR PRC 7 APRIL

BK071558 Bangkok Television Service in Thai 1300 GMT 7 Apr 86

[Text] Greek Prime Minister Andreas Papandreou and his party, including his wife and representatives from the private sector, who visited Thailand from 5 April left Don Muang Military Airport for China this morning ending their visit to Thailand as guests of the Thai Government. The visit has strengthened both political and trade relations between the two countries. The Greek prime minister pledged that he would help to negotiate with the EC countries for the purchase of tapioca from Thailand.

THE NATION ON MOKHTAR'S UPCOMING CAMBODIA TALKS

BK070054 Bangkok THE NATION in English 7 Apr 86 p 4

[Editorial: "Mokhtar's Talks Here and With Thach Are Timed Right"]

[Text] Indonesian Foreign Minister Mokhtar Kusumaatmaja is coming to Bangkok this week to discuss the eight-point proposal, put forward by the coalition government of Democratic Kampuchea (CGDK), with Foreign Minister and Deputy Prime Minister Sitthi Sawetsila. This proposal was rejected out of hand by Hanoi which said that it was just a Chinese ploy to bring back the Khmer Rouge into power in Phnom Penh.

The three leaders of the CGDK -- President Norodom Sihanouk, Vice President Khieu Samphan, and Prime Minister Son Sann -- met in Beijing to work out the proposals and possibly the Chinese authorities had a hand in working them out. However, this is the first political solution that has had the active backing of Beijing although China did lend her lukewarm support to other ASEAN proposals.

Indonesia and China have not resumed their diplomatic relations after over two decades and Indonesia is always suspicious of what emanates from Beijing. It is impossible that Jakarta thinks that China may have a devious political interest in this eight-point proposal and it is up to Sitthi to disabuse Mokhtar of any such misconception. Further ASEAN has already worked out the means to prevent possible Chinese arms support for the Khmer Rouge by proposing the introduction of UN peacekeeping forces, the moment Vietnamese troops begin their withdrawal.

It is only after consultations with Sitthi, that Mokhtar will be going to New Delhi to meet Vietnamese Foreign Minister Nguyen Co Thach. It is very tempting to speculate on the venue chosen for the Mokhtar-Thach meeting because India is the only non-communist country to recognize the Heng Samrin regime. However, it is best not to read too much into the significance of the venue since India has never shown any interest to play a role as a go-between.

We do not expect a dramatic breakthrough after Mokhtar holds his talks with Thach but we do expect some concessions by Vietnam. We base this mainly on the fact that during the past the Vietnamese forces have always mounted an offensive against the resistance forces during the dry season. But during the present dry season which is almost ending, the Vietnamese forces have launched no big attack although there were some minor forays. On the other hand, it is the resistance forces which seem to have mounted a major attack on Battambang.

Two other factors should also be considered. News has been scarce, but from isolated reports we can conclude that there has been continuous fighting along the Sino-Vietnamese border, varying in ferocity from time to time. This could be already affecting the already fractured economy of Vietnam. The second factor is the Soviet point of view. The Soviet Union has shouldered a big burden, underwriting Vietnamese occupation of Kampuchea and keeping the Vietnamese economy almost on a subsistence level. Moscow's views will prevail to a great extent in Hanoi.



DEPUTY PREMIER ON GORBACHEV PROPOSAL, U.S. POLICY

LD072127 Prague CTK in English 1933 GMT 7 Apr 86

[Text] Hanoi April 7 (CTK correspondent) -- Defence of peace is the primary task of all of us at present. The statement of CPSU General Secretary Mikhail Gorbachev of January 15 proposing a program of liquidation of nuclear weapons by the year 2000 has poured hope into the hearts of progressive people all over the world, Vietnamese Deputy Premier General Vo Nguyen Giap has told CTK correspondent here.

He noted that the United States has replied to the Soviet goodwill gesture with seven nuclear tests and another one is to take place at the Nevada testing site in the coming days, the deputy premier said. U.S. policy is a policy of aggression and expansion, a cause of tension in all parts of the world. It is inimical to the future of the world because this future belongs to peace, friendship and cooperation between nations, the deputy premier said.

The Vietnamese people know the horrors of war and therefore vehemently defend peace. The peace initiative of the Soviet Union is a great encouragement to the people of Vietnam and a hope that the world will live without fear from nuclear war. Imperialists will never understand the law of development, they are bad pupils of the school of history. Despite its economic and military superiority not even the United States can thus defeat the people of Libya or Nicaragua, despite its technological development it cannot achieve supremacy over the forces of peace and progress, Vo Nguyen Giap said.

INDOCHINESE HEALTH MINISTERS HOLD CONFERENCE

Meet Pham Van Dong

OW061541 Hanoi VNA in English 1520 GMT 6 Apr 86

[Text] Hanoi VNA April 6 -- Pham Van Dong, Political Bureau member of the Communist Party of Vietnam Central Committee and chairman of the Council of Ministers, received at the presidential palace here today, Yit Kim Seng, Kamliang Phonsena and Dang Hoi Xuan, ministers of public health of Kampuchea, Laos and Vietnam respectively, who had attended the third Indochinese health care conference held in Hanoi from April 1-6.

Kampuchean Ambassador Tep Henn and charge d'affaires A.I. Luangkhot Kobkeo were present at the reception.

Speaking to his guests, Chairman Pham Van Dong warmly acclaimed the fine success of the freshly-concluded conference of public health of the three Indochinese countries which, he said, will contribute to further strengthening the close cooperation among the three countries, especially in the medical field.

In reply, Yit Kim Seng and Khamliang Phonsena sincerely thanked the Vietnamese party, Government and people for having created favourable conditions for the successful organization of the conference.

Conference Ends

OW071836 Hanoi VNA in English 1503 GMT 7 Apr 86

[Text] Hanoi VNA April 7 -- The third conference of the public health ministers of Kampuchea, Laos and Vietnam was closed here today after six days' sitting.

The three ministers satisfactorily noted that the cooperation in public health between the three countries has been unceasingly consolidated and developed, particularly in personnel training, pharmacy, disease treatment and prevention.

They compared notes on the organization and activities of the medical network at districts and villages and the development of traditional medicine in service of health stations at the grassroots.

The three ministers unanimously supported the struggle against nuclear weapons, the arms race in outer space, chemical and micro-biological warfare, and for the defence of peace and humankind's health and happiness.

This morning, they signed an agreement on cooperation in public health between the three countries.

Present at the signing ceremony were representatives of the Foreign Ministry, the Commission for Education and Science, and the Committee for Economic and Cultural Cooperation with Laos and Kampuchea. Kampuchea Ambassador Tep Henn and Lao Charge d'Affaires A.I. Luangkhot Kableo were also present.

#### LABOR COOPERATION ANNIVERSARY NOTED IN MOSCOW

OWO41822 Hanoi VNA in English 1454 GMT 4 Apr 86

[Text] Hanoi VNA April 4 -- A meeting was held in Moscow on Wednesday evening to mark the 5th anniversary of the signing of the Soviet-Vietnam Treaty of Labour Cooperation.

It was cosponsored by the Union of Soviet Societies for Friendship and Cultural Relations With Foreign Countries, the Soviet State Committee for Labour and Social Affairs and the Soviet-Vietnam friendship society.

Speaking at the meeting, L.A. Kostin, first vice-chairman of the Soviet State Committee for Labour and Social Affairs, said that labour cooperation played an important part in the economic relations between the two countries, especially in the training of Vietnamese workers. This labour cooperation has developed fruitful [as received] since the signing of the treaty and will further develop in the future, he pointed out.

For his part, Le Khachieu, Vietnamese vice-minister of labour, stressed the fine results of the cooperation and expressed thanks to the party, the state and people of the Soviet Union for their effective and practical help to Vietnam in this field.

#### VPA GENERAL REVIEWS ENGINEER CORPS' ACHIEVEMENTS

BK071130 Hanoi NHAN DAN in Vietnamese 24 Mar 86 p 3

[Article by Major General Tran Ba Dang, commander of the Engineer Corps: "Developing the Tradition of Opening Roads to Victory, the Engineer Corps Satisfactorily Fulfills the two Tasks of Standing Ready for Combat and Building the Economy"]

[Text] In order to meet promptly the requirements of the struggle against French colonialism on an increasingly larger scale, President Ho Chi Minh on 25 March 1946 signed an order organizing the Ministry of national Defense, including the Communication Engineering Department, thus giving birth to the Engineer Corps of the VPA. This year, the Engineer Corps is exactly 40 years old.

Over the past 40 years, under the close leadership and guidance of the party, state, and Army, with the wholehearted assistance of the various military regions, army corps, and armed services and branches, and with the affection and aid of the people, the corps has fulfilled all its tasks satisfactorily.

During the 9-year anti-French war of resistance, the corps, despite its rudimentary equipment and meager strength, valiantly attacked the enemy's communication network, built bridges, opened roads, and disposed of delayed action bombs, thus contributing to the victories achieved from the fall and winter of 1947 to the historic Dien Bien Phu campaign. Particularly, during the Tay Bac campaign in 1952, our engineer forces overcame numerous difficulties and trials and blazed many trails in support of combat operations; for this, they were awarded the banner "Opening Roads to Victory" by President Ho Chi Minh. Since then, "Opening Roads to Victory" has become a glorious tradition of the Engineer Corps.

Between 1955 and 1964, thoroughly grasping the party's two strategic tasks, the Engineer Corps contributed to building socialism in the north while actively making preparations in all respects for the struggle to liberate the south. Originally consisting of only a regiment, the corps rapidly grew into tens of regiments whose elements were found in all three categories of troops. Originally specializing only in building bridges and roads, the corps developed three additional specialties -- project engineering, river-crossing engineering, and civil engineering -- involving tens of different branches and trades, and made intensive efforts to renovate its technical equipment and step up combat training activities. The corps took a step toward maturity and fulfilled the task of building national defense projects as well as a number of projects of socialism.

Entering the historic confrontation between our people and U.S. imperialism, the Engineer Corps -- fully imbued with the truism "nothing is more precious than independence and freedom" and the spirit of "blazing a trail along the Truong Son mountains to save the country" -- worked side by side with the transportation and air defense forces of the 559th Group to open a strategic road, named after respected and beloved Uncle Ho, to link the great rear with the great frontline and effectively support the liberation of the south. The corps also served as the key force in opening roads in support of major campaigns from the Mau Than Tet in 1968 to the historic offensive and uprising of spring 1975. The corps served as the key force in building battle positions, airfields, wharves, and command headquarters, and in repairing roads and airfields to help the air defense and air forces defeat the U.S. Air Force and Navy. The corps closely coordinated with assault youth units, communication and transportation forces, and the people in repairing bridges and roads, disposing of delayed action bombs and magnetic mines...to ensure smooth communication on all the roads of the fatherland as well as on a number of roads in fraternal Laos and Cambodia. In the southern battlefield, the corps directly engaged in combat, fighting hundreds of battles against U.S.-puppet forces, killing tens of thousands of enemy soldiers, destroying hundreds of bridges and military vehicles, and downing hundreds of enemy aircraft. The corps won President Ho Chi Minh's praise: "The Engineer Corp of the VPA has upheld the determination to defeat the U.S. aggressors, valiantly overcome all difficulties, fulfilled all missions and tasks, and promptly supported combat operations -- thus contributing to the common victories of the entire army and people."

After national reunification, fully aware of the situation and the new tasks of the revolution, the corps served as the nucleus guiding the southern localities to overcome the consequences of enemy bombs and mines, restoring production, and making the fields green again; and at the same time, it opened roads through mountains and built combat defense lines on the southwestern and northern borders, thus contributing to fulfilling the internationalist duty toward Cambodia and defeating the war of aggression launched by the Chinese reactionaries in February 1979.



In recent years, especially in 1985, while looking forward to the corps' 40th founding anniversary, the engineer corpsmen have vigorously stepped up efforts to conduct the movement of developing the fine nature and improving the fighting strength of the People's Armed Forces, and have satisfactorily fulfilled the tasks of building combat-support projects in the border areas and on off-shore islands, honoring internationalist duties, maintaining combat readiness, stepping up production activities, carrying out economic construction, linking economic construction with national defense and vice versa, and participating in the maintenance of political security and social order.

Along with maintaining combat readiness supporting combat operations, and engaging in combat..., the Engineer Corps has, over the past 40 years, had the great honor of being entrusted by the party, state, and army with building lasting projects designed to bolster the building and defending of the fatherland; and it was the core force of the army that took part in the construction of President Ho Chi Minh's mausoleum, and modern architectural project designed to show the boundless gratitude, respect, and love of our entire party, army, and people for him.

After going through 40 years of fighting and construction, the Engineer Corps has grown from a numerically small and poorly equipped force into a technical branch with an ever higher level of combat readiness and increasingly modern equipment, thus being worthy of its title as a heroic branch of the Armed Forces and of the glorious tradition of "Opening Roads to Victory" as bestowed by President Ho Chi Minh. On this occasion, all the corps' cadres, soldiers, workers, and personnel express their profound gratitude toward the party, the state, the army, and the people for their care, education, and exhortation, and for creating conditions for the corps to grow and reach maturity.

Celebrating the Engineer Corps' 40th founding anniversary, all the corps' cadres, soldiers, workers, and personnel are deeply aware that the situation of the revolution in our country is showing progressive and encouraging developments, but many difficulties and complexities still remain. The Chinese reactionaries are conducting a border-nibbling war and a multifaceted war of sabotage; and they have yet to relinquish the scheme of broadening the scale and form of war against our country. Therefore, the corps' duties still consist on maintaining a high level of combat readiness, intensively building battle positions, ensuring the mobility of our forces, building construction projects to meet the requirements of national defense, and participating in national economic construction. On the other hand, the corps must concentrate effort on strengthening its forces and advancing standardization and modernization. Attention should be given to transforming the corps into a strong technical branch of the army that is fully capable of fulfilling all its tasks at home as well as its internationalist duties toward fraternal Laos and Cambodia.

To satisfactorily carry out these tasks, the corps has concentrated on educating its cadres, soldiers, workers, and personnel to enable them to realize their strength, achievements, shortcomings, and weaknesses in order to enhance their combat capability and sense of responsibility and to grasp firmly the lines, positions, and policies of the party, state, and army. This is to encourage them to strive to become new socialist men -- men with revolutionary ethics and a knowledge of military science and technology, men with high capability who are ready to fight and sacrifice for the fatherland's independence and freedom, the people's happiness, socialism, and the lofty international obligations.

The corps has carefully organized all three categories of troops and improved their training to enhance its fighting strength, combat readiness, and capability for economic building while combining economic tasks with national defense and vice versa while strictly practising thrift to save manpower and property.

The corps has profoundly reviewed its combat and building experience during the past 40 years to learn principals for creative application to the new struggle in order to achieve higher efficiency and quality. The Engineer Corps has accelerated its study and applied to its present day conditions world scientific and technological advances, especially those of the heroic Soviet Army. It has effectively maintained technical equipment in accordance with combat and economic building requirements and in conformity with human, climatic, and geographical conditions.

Relying on its strength and using old vehicles and machinery, the Engineer Corps accelerated its economic building to overcome the consequences of war while designing and building socialist projects, exploiting raw materials and building materials, building roads and bridges, reclaiming land, planting rush, raising shrimp and fish, and increasing production, thereby ensuring concrete results and contributing to building the country, reducing the people's procurements, and establishing a fund for expanded reproduction. The corps has concentrated efforts on making party organizations firm, strong, and pure; developing the youth movement in the spirit of Resolution No 26 of the Political Bureau; and satisfactorily promoting the fulfillment of emulation pledges from the grassroots level up in order to develop the movement both in breadth and in depth and accelerate the completion of all tasks to score realistic achievements in welcome of the sixth party congress.

Strengthening solidarity with party organizations, administrative bodies, and people in the various localities and uniting with friendly units, the corps is determined to contribute to maintaining political security and social order, foiling all schemes and acts of sabotage by the enemy, and satisfactorily realizing the motto "the army and people share the same will."

The Engineer Corp is proud of its achievements over the past 40 years and is resolutely struggling to become a comprehensively firm and strong technical branch of our army so as to always be worthy of its title as a heroic branch of a heroic army and a heroic people and of its glorious tradition of "opening roads to victory."

GOLD STAR ORDER AWARDED TO AIR FORCE 4 APR

BK050531 Hanoi Domestic Service in Vietnamese 2300 GMT 4 Apr 86

[Text] On the evening of 4 April, the Air Force held a solemn ceremony to receive the Gold Star Order -- the highest award of the party and state -- and the rotational banner of the Council of Ministers chairman.

Attending the ceremony were General Van Tien Dung, member of the party Central Committee Political Bureau, secretary of the party Central Committee's military commission, and defense minister; Le Van Luong, party Central Committee member and secretary of the Hanoi party committee; and many generals and high-ranking officers representing the Defense Ministry agencies, military regions, army corps, armed services, and branches of the VPA.

AUSTRALIABEAZLEY INTERVIEWED ON INDONESIAN DEFENSE TIES

BK071010 Melbourne Overseas Service in English 0810 GMT 7 Apr 86

[From the "International Report" moderated by Bernadette Skues]

[Text] Australia's defense minister, Mr Kim Beazley, is back in Canberra after a 6-day visit to Indonesia. His visit was at a time when Australia was taking a hard look at the stature and role of its defense forces in a short term and longer term. Mr Beazley was especially interested to obtain a realistic view of Indonesia's capabilities during his talks in Jakarta. His message to Australia is that Indonesia does not pose any form of military threat. Graham Dobell in Canberra asked Mr Beazley if Australia looks from Indonesia as a buffer against potential threats coming from further away:

[Begin recording] [Beazley] A stable Indonesia and one which disposed of its armed forces in an essentially nonthreatening way is a strategic asset to us.

[Dobell] Does that mean that the Australian Government is going to be giving more military aid to Indonesia and giving it more technical assistance?

[Beazley] No, I think one of the things that impressed me when I was up there was that, I think, we've got the defense cooperation program with Indonesia about right. We don't have an aid program with Indonesia; it's a cooperative program. We provide assistance to the Indonesian Armed Forces in a way that suits our mutual surveillance and patrolling activities. And, I think, we've arrived at the right programs, and of course, it's a matter of continuing them, and that will certainly happen.

[Dobell] Is Timor no longer an issue between Australia and Indonesia?

[Beazley] I can only reiterate on that, really, what the prime minister said last year when he said that ... [changes thought] reemphasized the fact that this government continued to adopt the position of our predecessors which was to recognize that Timor was not incorporated into Indonesia. Now that doesn't stop us having humanitarian concerns for the people of Timor, and we have sought access for international bodies, such as the International Red Cross, UNICEF, and the like for the purposes of providing that assistance, and the Indonesian Government has given that access in recent times. But our position now -- our concerns now -- are expressed against the background of accepting the incorporation of Timor into Indonesia legally.

[Dobell] Is the relationship now on such a good plane that you can afford to be less sensitive, perhaps, about things like the tensions on the Iran Jaya border and Timor? Is that the way that you are approaching it?

[Beazley] I think that the point that the prime minister made at the time was that there are many issues -- many shared common interests in our foreign policy. There is a substantial amount of agreement in areas of arms control and disarmament; there are very much shared perspectives -- I'm treading on foreign minister's territory, so I wouldn't want to go into detail -- but there are very much shared perspectives between the Australian Government and the Indonesian Government on Southeast Asian issues generally.



[Dobell] Well, if the relationship is the best that has been for a decade as we are told, who has made the greater accommodation to achieve that. Has it come from Jakarta or has the move come from Canberra?

[Beazley] I think that issues have arisen which have drawn us closer together, and some of the issues which caused division have drawn us closer together, and some of the issues which caused division have receded. I don't think it is a question really of concessions on either side. Australia's views are slightly (?different) strategically as a result of its self-reliance posture. And the increasing importance to us of things like the South Pacific nuclear-free zone, general arms control, and disarmament issues since this government has come into power, our concerns for a settlement in Indochina which suits both sides are [words indistinct] much more to the fore. [end recording]

#### SINGAPORE'S LEE KUAN YEW ON IMPORTANCE OF ANZUS

BK050944 Melbourne Overseas Service in English 0830 GMT 5 Apr 86

[Text] Singapore's prime minister, Mr Lee Kuan Yew, has said he believed Australia's defense arrangements with the United States are vital to security in Southeast Asia. Speaking in New Zealand where he is on a 4-day visit, Mr Lee said that as long as Australia had a defense link with America, the ANZUS Defense Treaty remained workable. The trilateral ANZUS pact between Australia, New Zealand, and the United States has been inoperative since New Zealand's decision last year to ban nuclear warships from its ports. Mr Lee said the ban would not harm regional security provided Australia maintained its defense arrangement with the United States. This would mean that all other regional security arrangements would be viable. The Singapore prime minister said it would be different proposition if the ANZUS pact were completely dismantled.

#### UK AGREES TO STUDY ANTINUCLEAR LAWS ISSUES

HK080524 Hong Kong AFP in English 0449 GMT 8 Apr 86

[Text] Wellington, April 8 (AFP) -- The New Zealand and British Governments agreed Tuesday to work together to study the issues raised by New Zealand's determination to implement anti-nuclear laws. The laws ban nuclear weapons from entering New Zealand territories and waters. The two governments decided on the action during a meeting between New Zealand Prime Minister David Lange and British Foreign and Commonwealth Office Minister Baroness Young.

Mr Lange told reporters Baroness Young had emphasised Britain's concern about the anti-nuclear legislation which "in the British view on the face of it would preclude ship visits to New Zealand." Baroness Young said Britain had very real concern that the New Zealand anti-nuclear legislation would directly infringe Britain's policy neither to confirm nor deny the carriage of nuclear weapons. "It is something fundamental to our policy," she added.

The New Zealand ban and Britain's policy has also prevented a group of British naval vessels touring the Pacific from making port calls in New Zealand. A similar policy in Washington has prevented U.S. ships making port calls here since last year, and has resulted in the United States cutting most of its defence ties with New Zealand because of the ban placed on its nuclear-capable warships.

Mr Lange said he and Baroness Young had discussed the British concern and "we committed ourselves to the possibility of solving the present impasse, and with a real degree of goodwill, determined to work on it." Baroness Young confirmed that the two governments "have both committed ourselves to further work on the subject."

JORDAN'S KING HUSAYN CONCLUDES 7-DAY VISIT

## Joint Communique Signed

BK071355 Jakarta Domestic Service in Indonesian 1200 GMT 7 Apr 86

[Text] President Suharto and King Husayn of Jordan called for an immediate end to the Iran-Iraq war in the interest of the two warring countries and the Muslim countries in the world. The call by the two heads of state was contained in a joint communique issued at the end of the visit to Indonesia by King Husayn and Queen Nur. During King Husayn's visit, Indonesia and Jordan signed a trade and economic cooperation agreement covering the industrial, tourism, transportation, agricultural, manpower, and cultural fields. Jordan will immediately open an embassy in Jakarta.

King Husayn, Queen Nur, and the party that arrived in Indonesia on 1 April today left Bali for home.

## Departs from Bali 7 April

BK071016 Jakarta ANTARA in English 0958 GMT 7 Apr 86

[Excerpt] Denpasar, April 7 (ANTARA) -- King Husayn of Jordan Monday morning left Denpasar, Bali, for Amman after a seven-day visit to Indonesia. In the last three days he and Queen Nur were in Bali, Indonesia's resort island, holidaying. The royal couple and their entourage were seen off at the Ngurah Rai airport by Tourism, Post and Telecommunication Minister Achmad Tahir and Bali Governor Ida Bagus Matra. In Jakarta earlier he had talks with Indonesian head of state, President Suharto.

AUSTRALIAN DEFENSE MINISTER ENDS 6-DAY VISIT

## Calls Visit Successful

BK040754 Jakarta Domestic Service in Indonesian 0700 GMT 4 Apr 86

[Text] Australian Defense Minister Kim Beazley and party today ended a 6-day visit to Indonesia, which he described as very impressive and successful. Speaking at a press conference attended by local and foreign newsmen at Jakarta's Halim Perdanakusuma Air Base this afternoon, Minister Kim Beazley, accompanied by Defense and Security Minister Poniman, reaffirmed that Australia does not view Indonesia as a threat. A stable Indonesia will also serve Australia's interests.

He said that his visit to Indonesia was designed to observe the effective implementation of bilateral defense cooperation in accordance with the interests of both countries. He briefed his Indonesian counterpart on changes occurring in Australia's defense structure, adding that Australia understands Indonesia's defense development. His visit to Indonesia at the head of a large delegation demonstrates the importance Australia attaches to its relations with Indonesia.

Answering questions from Radio Republic of Indonesia, Defense Minister Beazley said that he had invited Defense and Security Minister Poniman to visit Australia at the latter's convenience. While in Indonesia, Minister Beazley visited the Nusantara Aircraft Industry Corporation in Bandung and the PAL shipyard in (?Surabaya).

## Says No Involvement in SDI

BK050936 Melbourne Overseas Service in English 0500 GMT 5 Apr 86

[Text] Australia's defense minister, Mr Beazley, says his country is planning fundamental changes in its defense strategy and does not want to be involved in America's space weapons research program. Speaking in Jakarta at the end of his 6-day visit to Indonesia, Mr Beazley said the program would be discussed when the American defense secretary, Mr Weinberger, visits Australia next week. Mr Beazley said, however, that Australia did not support the program both in terms of its workability and strategic balance. The defense minister said that Australia's move toward creating a more self-reliant defense force would not diminish the importance it put on its strategic interests with Indonesia, Southeast Asia, and the Southeast Pacific.

## Warns of Defense Debate

BK050858 Melbourne Overseas Service in English 0830 GMT 5 Apr 86

[Text] The defense minister, Mr Beazley, has told Indonesia that debate on defense changes in Australia might renew old argument that Indonesia poses a potential military threat. The warning came at the end of Mr Beazley's 6-day visit to Indonesia in which he had talks with President Suharto; the armed forces chief, General Murdani; and the defense minister, General Poniman.

Mr Beazley told a news conference in Jakarta that one important purpose of his visit was to explain aspects of defense changes in Australia and the issues which could arise in domestic debate causing misunderstanding elsewhere.

He had told the Indonesians that Australia did not regard their country as in any way a threat. He said Australia's proposed changes to defense policy placed more importance on Southeast Asia and that he wished to see more joint exercises between Australia and Indonesia.

BRIEFS

TRADE VOLUME WITH PRC -- The vice chairman of the Indonesian Chamber of Commerce and Industry says that the trade volume between Indonesia and the PRC has reached some \$65 million since the reopening of their direct trade relations. Indonesia exports rubber, coffee, plywood, sawn timber, cement, and raw material for textiles to the PRC, while its import from the PRC include cotton and coal. [Summary] [Jakarta Domestic Service in Indonesian 0500 GMT 4 Apr 86 BK]



CHARGES FILED IN AQUINO ASSASSINATION PLOT

HK080955 Hong Kong AFP in English 0937 GMT 8 Apr 86

[Text] Manila, April 8 (AFP) Authorities have filed charges against a jobless man who allegedly planned to assassinate President Corazon Aquino at a rally last month but backed out at the last minute, officials said here Tuesday. "The alleged assassination attempt on Mrs Aquino is under investigation," Presidential Spokesman Rene Saguisag told a news conference. He said he understood a man was in custody and that "some formal charges have been filed." Mr Saguisag refused to give details, saying a presidential security report he was expecting had not arrived.

Earlier, Manila police chief Brigadier General Narcisco Cabrera told AGENCE FRANCE-PRESSE that Romualdo Mercado, 30, from Mrs Aquino's hometown north of here, was arrested Friday on a theft charge but revealed the alleged murder plan while in custody. "He made certain revelations and these are now the object of investigation by the presidential security guard. I am not at liberty to say the revelations," he said.

The general, however, described as "essentially correct" a report in the DAILY INQUIRER newspaper that the man allegedly said he was offered 500,000 pesos (24,390 dollars) by an unspecified person to shoot Mrs Aquino at a March 2 rally celebrating her installation as president the week before. A military-civilian revolt toppled strongman Ferdinand Marcos February 25.

The DAILY INQUIRER said the suspect disguised himself as a photographer during the rally and carried a hidden gun, but decided to call off the assassination when he was several meters away from the new president.

Police Major Conrado Monson, whose men arrested the suspect in Manila's tourist district, said Mr Mercado settled the theft case by paying the complainant but was held after he disclosed the purported assassination plan. Manila police sources said presidential security men took custody of the suspect Monday.

Acting Manila Mayor Gemiliano Lopez, who was at police headquarters to follow up the case, said he was informed that state prosecutors had filed unspecified charges against the suspect.

In the news conference, Mr Saguisag refused to discuss details, saying "we have a problem here in balancing between the public's right to know and security requirements due the president."

Asked about Mrs Aquino's reaction, he said "it's a persistent problem of anyone who is in public life." "Such plots normally go unpublicized," he added.

Asked if security procedures had been changed as a result of the alleged assassination plot, Mr Saguisag said "we don't discuss security matters as a matter of policy," "Pressure has been mounting on her (Mrs Aquino) to move to a place which will eliminate many of the problems that have been identified," Mr Saguisag said, citing a clamor for the president to stop commuting daily to her modest suburban bungalow.

Mrs Aquino, whose husband, opposition leader Benigno Aquino, was assassinated, allegedly by soldiers, in 1983, has described herself as a "fatalist" when it comes to her safety, and has said no security measures could stop a determined assassin.

Police said the suspect was from Mrs Aquino's hometown, Concepcion, in Tarlac Province north of here, but lived in nearby Bulacan Province between Manila and Tarlac.

POLL SHOWS LAUREL LEAST FAVORED CABINET MINISTER

HK041157 Manila PHILIPPINE DAILY INQUIRER in English 29 Mar 86 pp 1, 2

[Text] Cabinet members people are most familiar with are not necessarily the ones whose appointments are most favored.

Many people do not favor the new governments's move to replace local officials, citing the "democratic" nature inherent in elections.

The best time to call for local elections is "sometime in 1986."

These were some of the findings of a research recently conducted by the University of the Philippines' Institute of Mass Communications (IMC) on opinions of Metro Manila residents about Cabinet appointments and other political issues.

The research, conducted March 5-12, 1986 through interviews on 550 respondents, showed that of the 17 appointed Cabinet members, the most familiar were Armed Forces Chief of Staff Gen. Fidel V. Ramos, Defense Minister Juan Ponce Enrile, and Vice President Salvador Laurel. Except for Ramos, however, popularity or familiarity did not mean outright approval on their appointments.

Jovito Salonga, chairman of the Commission on Good Government tasked with recovering the Marcoses hidden wealth, was the most favored among those appointed by President Aquino. He was followed by General Ramos, and by Education Minister Lourdes Quisumbing.

Laurel, named as Foreign Affairs Minister and Prime Minister designate, was the least favored among the appointees with only 42.9 percent.

At least 100 other names were also cited by the respondents as possible choices for the Cabinet or other top posts in the government. Among those mentioned were Homobono Adaza, Eva Estrada-Kalaw, former Sen. Rene Espina, former Supreme Court Justice Cecilia Munoz-Palma, Orly Mercado, and former Sen. Jose W. Diokno (Diokno was named last week to head the Human Rights Committee).

A little less than half (46.9 percent) of the respondents did not favor the move to replace local officials, saying those who assume local government posts should be elected. A sizeable number also opined that such a move had a "dictatorial" tendency. Those who favored it, however, conceded that it should be done because of the "need to change the Marcos machinery."

On the holding of local elections, 51.4 percent of those interviewed agreed with its postponement primarily because the economy is not yet stable. Others contended that there is a need to concentrate on more important matters. But many of them said the best time to hold the local polls is either sometime this year or early next year.

Suggestions espoused by respondents also came as a surprise. Topping the list was for President Aquino "to be wary of her advisers or appointees" and "balimbings" (or those who suddenly changed loyalty from Marcos to Aquino).

Others also asked Ms. Aquino to zero in on economic recovery, prosecution of abusive officials and to lead by example. They also suggested that she appoint officials based on qualifications and to hold regular dialogue with people.

With regards to qualifications of Cabinet officials, the respondents disregarded intelligence as the most important factor but considered integrity, sincerity, honesty and competence or experience as more important traits.

The research project was conceptualized by the entire IMC faculty and implemented by volunteer faculty and students through the help of IMC Dean Georgina Encanto.

#### NEW LANA DEL SUR GOVERNOR TAKES OFFICE

HK070833 Manila MANILA BULLETIN in English 1 Apr 86 pp 1, 8

[Excerpt] Saidamen B. Pangarungan has assumed office as governor of Lanao del Sur. He immediately issued directives to ensure that normal operations of the provincial government are resumed and its employees are paid. Earlier he had been met at the airport at Balo-i, Lanao del Norte, by a big crowd which brought him in a 300-vehicle motorcade to Marawi City, seat of the Lanao del Sur provincial government.

Pangarungan's formal takeover was preceded by a program in which community, religious, and political leaders expressed support for him and also opposed reported plans to divide the province. The expenditure that such a move would entail, they stressed, would set back the economic recovery program of the government and violate the political will of the people of Lanao del Sur.

Brig. Gen. Alfredo Gutang, Recom [Regional Command] XII commander, exhorted the people to assist the new governor in achieving peace and stability throughout the province as a prerequisite to economic recovery and development.

Pangarungan assumed office amid a festive atmosphere and without the much-publicized resistance that his political opponents were supposed to put up.

Pangarungan, chairman of the Muslim Association of the Philippines, has served as an opposition member of the regional assembly and is serving a second term as vice-president for Mindanao of the PDP-LABAN [Pilipino Democratic Party-Lakas ng Bayan]

Former Vice Mayor Eduardo "Duay" Calixto was named yesterday officer-in-charge of Pasay City, replacing Pablo Cuneta. Calixto, a businessman who was a councilor before becoming vice mayor, will assume his new position on Thursday.

He pledged to bring the city government closer to the people and give priority to the problems of graft and corruption, tax collection, health and sanitation, gambling and prostitution, drug addiction, education, and unemployment.

Manila Mayor-designate Mel Lopez Jr. did not show up at City Hall yesterday. Sources said he deferred his assumption of office until the arrival of Mayor Ramon D. Bagatsing from the United States.

A big group of supporters flocked at City Hall early in the morning expecting Lopez's arrival. They disbanded only when word reached them that Lopez would assume office tomorrow when Bagatsing arrives.

Sources quoted Lopez as saying it was a matter of courtesy for him to wait for Bagatsing, who left for Philadelphia to fight for the Philippines bid to host the 1987 world convention of Lions International.



It was learned that Lopez met with the son of the mayor, lawyer Ramon S. Bagatsing Jr., and both agreed on a cordial turn-over on Wednesday. "My father is a man of peace," said the young Bagatsing, assuring Lopez that the mayor will not resist Lopez's take-over for as long as his papers are in order.

#### SALONGA COMMISSION SEQUESTERS ROMUALDEZ HOLDINGS

HK071231 Manila Far East Broadcasting Company in Tagalog 1000 GMT 7 Apr 86

[Text] On behalf of the Aquino administration, the Presidential Commission on Good Government has sequestered the holdings of former Philippine Ambassador to Washington Benjamin Romualdez in the Benguet Corporation. Former Senator Jovito Salonga, chairman of the commission, did not say how much Romualdez's holdings were nor what is to be done with the sequestered Romualdez corporations.

Speaking at the Manila Hotel's Kapihan sa Maynila [Manila Coffeeshop], Salonga said that the government has frozen the properties of Mr Marcos and those of his cronies in the San Miguel Corporation. Earlier, Finance Minister Jaime Ongpin said in a press conference at the Central Bank that Romualdez owned 60 percent of the Benguet Corporation.

#### PROCEEDS OF SAN MIGUEL SHARE SALE FROZEN

HK070916 Hong Kong AFP in English 0903 GMT 7 Apr 86

[Text] Manila, April 7 (AFP) -- The Philippine Government has ordered a freeze on the proceeds of the sale of a block of shares in the country's largest manufacturing firm and demanded an explanation of the deal, an official confirmed Monday.

The San Miguel Corp transaction appeared to violate a presidential edict banning the sale of assets of ousted President Ferdinand Marcos and his associates, Presidential Commission on Good Government Chairman Jovito Salonga told a news forum here.

Acting San Miguel Corp chairman Andres Soriano last week purchased 33 percent of the giant food and beverage firm's outstanding capital stocks from a group said to represent business tycoon Eduardo Cojuangco, a known Marcos associate. Mr Cojuangco, the former chairman of the conglomerate, fled to Hawaii in exile with Mr Marcos February 25 following a civilian-military uprising.

Mr Salonga said the commission would ask Mr Soriano to explain the deal, which involved the transfer of 3.5 billion pesos' (170 million dollars) worth of shares.

His commission is currently trying to recover up to 10 billion dollars' worth of assets Mr Marcos and his associates allegedly stole from the country during the 20-year Marcos regime.

Mr Cojuangco acquired his shares in the firm in 1984 under a complicated arrangement after a bitter struggle for control of the firm by Mr Soriano's father, also named Andres, and the elder Soriano's cousin Enrique Zobel.

Officials of the 96-year-old firm could not be reached for comment Monday, but the newspaper DAILY EXPRESS carried an explanation said to be contained in a letter Mr Soriano sent to San Miguel stockholders over the weekend.

The move sought "to restore and re-establish the company to its original corporate character as a commercial and industrial establishment, governed by the principle of free enterprise and devoid of any partisan color, taint or affiliation," the letter reportedly said.

"It was our response to the appeal... of stockholders, officers and employees as well as their families, that San Miguel revert to the traditional, purely business image it has projected for almost a century," it added.

Mr Salonga also confirmed that his commission had warned against any attempt by nominees of Mr Marcos's brother-in-law Benjamin Romualdez to transfer his holdings in Benguet Corp, the country's largest mining firm. Mr Romualdez was said to have owned the controlling shares of the firm, which Jaime Ongpin served as president until his appointment as finance minister by President Aquino.

Mr Ongpin, who left for Washington Saturday for talks with the country's creditors, said on his departure that he had offered his resignation from the cabinet over the issue but Mrs Aquino had turned it down.

#### EDITORIAL CAUTIONS AQUINO ON PROPERTY SEQUESTERING

HK041100 Manila PHILIPPINE DAILY INQUIRER in English 29 Mar 86 p 4

[Editorial: "Keeping Cory's Rating High"]

[Text] President Corazon Aquino should instruct the commissioners of the Presidential Commission on Good Government to be extra-careful in preparing the list of properties to be sequestered or of the persons against whom "hold" and "freeze" orders are being issued. It may turn out that innocent parties could be included in the Commission's listing.

The fact that the Commission has already delisted some names from listings originally issued shows that certain errors have been committed. While the delisting has, in some way, assuaged the innocent parties concerned for the harm done against them, it cannot, however, justify the carelessness which characterized the preparation of the listings. Certainly, a high degree of responsibility should have attended the preparation of the lists, considering that reputations of human beings are involved in the undertaking.

If there has not been a loud outcry over the Commission's over-kill, it is simply because of massive public support for President Aquino. Moreover, the nation's shock over the rapacity and greed of the Marcos regime has not yet subsided so that errors such as those committed by the Commission have not been given much attention.

But there are indications that, sooner or later, the general public will begin to feel repulsed over mistakes committed by the President's men, especially if these deal with violations of human rights. When this happens, the high approval rating of the Aquino government will start to dip.

The task, therefore, of well-meaning officials of the Aquino government is to avoid the seemingly insignificant bloopers being committed by the Salonga Commission. Doing so now is the best assurance that President Aquino's credibility rating will remain at an alltime high.

#### MARCOS' SWISS ACCOUNTS SEEN RECOVERABLE

HK041030 Manila MANILA BULLETIN in English 1 Apr 86 p 11

[Text] Attempts by the government of President Corazon Aquino to retrieve millions of dollars in identifiable deposits of ousted President Ferdinand Marcos in Swiss banks have been given a fair chance of success because a number of cards are clearly stacked in its favor.

The Presidential Commission on Good Government, which is pursuing recovery of ill-gotten wealth of the Marcos family, has identified six Swiss banks in which Marcos was said to maintain secret accounts. The Swiss banks are among the 483 international banks which have more than \$16 billion in outstanding loans to the Philippines, incurred mostly during the regime of Marcos.

Sources said the government of Mrs Aquino could use the exposure of the Swiss banks to the Philippines as a lever to force them to turn over Marcos' deposits to the Philippine treasury. The Swiss banks will be under pressure to accede to the Philippines' request if it makes the Marcos deposit an issue and threatens not to pay the loans.

One of the banks believed to hold Marcos' secret account is a major funder of the controversial nuclear plant which itself has been the subject of reports about illegal payoffs to Marcos through a former business associate. Another bank is reported to have provided a local company a loan which was not registered with the Central Bank. The problem was fixed last year and the Central Bank made to assume the obligation on orders of Marcos.

The Aquino government has made a significant breakthrough into the highly secretive Swiss banking community following the Swiss government's decision to order a freeze on all Marcos-related deposits.

Consultations between the Swiss and Philippine governments are to the effect that if the Philippines were to hurdle legal obstacles, it will have to file criminal charges against Marcos in Manila involving offenses that are also punishable under Swiss laws.

#### 'CRONY' HANDS OVER LAND TITLES TO SALONGA

HK060440 Quezon City BUSINESS DAY in English 3 Apr 86 p 23

[By Ramon R. Isberto]

[Text] After three weeks of chasing Marcos wealth in the United States and Switzerland, the good government commission team headed by Jovito R. Salonga brought home part of "the bacon" yesterday. In their bags were the first trophy -- 197 transfer certificates of title covering more than 215 parcels of land in the Philippines owned by ousted President Ferdinand Marcos through corporations organized by erstwhile crony Jose Y. Campos. These were turned over to commissioner Ramon A. Diaz in several meetings with Campos and his lawyers in Vancouver, Canada from March 22 to 27.

The real estate properties cover an area of about 17.4 million square meters. Today value is as yet unknown. But one indication is the worth of 184,891 sq. meters of prime land located along Ortigas Ave. near the Meralco compound that are covered by two titles turned over by Campos: estimated worth is P130 million.

These parcels of land are owned by Philippine firms in which Campos is the main stockholder and president: namely, Independent Realty Corp., Mid-Pasig Development Corp. and Fairmont Real Estate Inc.

PCGG [Presidential Commission on Good Government] Commissioner Pedro L. Yap told BUSINESS DAY that Campos is expected to turn over several more land titles to the commission. These are under the name of Anchor Estate Development Corp. and covers some 120 hectares of seafront properties in Mariveles, Bataan, where a huge vacation mansion is located, according to a report prepared by Diaz.



During his meetings with Diaz, Campos also turned over incorporation papers and initial stock certificates of several Panamanian and Hong Kong companies reportedly owned by Marcos.

In the affidavit he submitted to the commission, Campos provided two lists of companies: the first covered companies that the businessman claims he organized for the deposed president; the second is the list of companies which he claims had nothing to do with Marcos.

Campos stressed that he offered to help Marcos set up and manage "many companies" because he wanted to deflect the former president's intention of taking over part ownership of United Laboratories, the country's largest drug manufacturer which has from 20 percent to 25 percent of the drug market. Unilab officials had passed on to the PCGG Campo's message that he wanted to "make a clean breast of things."

Questioned by Diaz, Campos admitted he had not paid the proper taxes for the firms he organized for himself and his family without Marcos's participation. He said most Filipinos did not pay the right taxes under the Marcos regime because their tax money usually went to frivolities, Diaz reported. Campos added that he is ready to pay all assessed taxes due from him "even if he has to dispose of many of his valuable assets."

Aside from Campos, three other persons submitted corroborating affidavits to Diaz in Vancouver: lawyers Francisco de Guzman, Renato Lirio and Campos's daughter-in-law, Elizabeth. "Mr de Guzman and Mrs Campos testifies exclusively on shares of stock of alleges absolute ignorance," Diaz reported.

Lirio, on the other hand, said he has been administering the properties owned by the firms put up by Campos for Marcos. Even though supervision of these properties was passed on from Campos to former SBTC President and Chairman Rolando Gapud in 1980, Lirio continued to administer these titles under an arrangement approved by Marcos and Campos's name continue to show up in the books either as the stockholder or officer of these companies.

Campos's disclosures are likely to be vital in the commission's ongoing probe into Marcos's hidden holding in companies here and abroad. Independent Realty, for example, was organized back in Aug. 23, 1967 and has over the past 20 years grown into a huge conglomerate with interests in network of companies ranging from land development and contractor firms to a mining company to a wood products firm. It also owned the largest single bloc of shares in the Philippine Satellite communication corp.

The land titles turned over to the commission may yield the first bag of cash recovered from the Marcoses. The commission is expected to start shortly the process of selling these off. Most of these lands -- 17.18 million square meters covered by 192 titles -- along the South Superhighway and the highway to the Puerto Azul beach resort (which is also reportedly owned by Independent Realty). Yap said these lands were bought before the two highways were built, enabling the Marcos companies to buy the properties "for a song "

#### RECOVERY OF MARCOS NEW YORK REAL ESTATE POSSIBLE

HK060448 Quezon City BUSINESS DAY in English 3 Apr 86 p 23

[Text] The Philippine Government may be able to recover soon Marcos real properties in New York worth about \$350 million either through a compromise settlement or a default judgment by the New York State Court, Good Government Commission Chairman Jovito R. Salonga reported to President Aquino yesterday.

"The Aquino government will then have to decide whether to sell all these properties immediately and convert these assets into cash for the direct benefit of the Filipino people," Salonga said in the six-page report he submitted to the President during a meeting at Malacanang yesterday afternoon.

The New York properties are the four buildings in Manhattan (the Crown Building, the Herald Center, 200 Madison Ave. and 40 Wall St.) and the Lindenmere Estate in Long Island. These are nominally owned by corporations registered in Netherlands Antilles, which are in turn owned by Panamanian companies.

The report, which details the results of the nearly three-week trip abroad of Salonga and two other commissioners of the PCGG, also said that:

-- Lawsuits have been filed by government lawyers against suspected Marcos properties in New Jersey and Texas. "Our lawyers are scheduled to move for a summary judgment and Mr Marcos will be placed in the same dilemma as in New York," Salonga said.

-- A group of prestigious American lawyers in Texas and the "largest law firm there" have offered their legal services to the Philippine Government for free and filed a billion dollar lawsuit in Texas to recover alleged ill-gotten wealth and for damages against the Marcoses.

-- That the prospects for recovering alleged Marcos bank accounts in Swiss banks are "brighter than we had anticipated" following consultations between PCGG commissioner Pedro L. Yap and Swiss authorities.

Salonga explained that the litigation in New York depends on whether Marcos will openly claim ownership of the New York properties. "He is in a terrible dilemma. If he claims these properties, the whole world will know that by his own act, he has pleaded guilty to having plundered our nation's wealth," he said. "If on the other hand, he does not claim these New York properties, we will probably get a default judgment and win sooner than we had expected." (A "judgement by default" is rendered when a defendant fails to appear at the time required in the summons, or to file his demurer or answer to the complaint within the time fixed by the Rules of Court).

The chances for the early recovery of the New York properties have brightened following the decision of Joseph and Ralph Bernstein to "tell the whole truth" before the committee of U.S. Congressman Stephen Solarz which will meet on April 8, "and perhaps even before that date, before the New York Court," Salonga said. The Bernstein brothers have been tagged as the agents used by Marcos for the purchase of these properties.

The Bernsteins' turnaround came after Salonga testified for two full days before the court and was extensively crossexamined by a panel of lawyers "identified with the trustees and associates of Marcos in New York." He relied on documents and other evidence gathered from papers left behind at Malacanang and those seized by the U.S. government from the Marcos party in Hawaii and then turned over to Salonga March 18.

During his testimony, the former senator submitted evidence that Joseph Bernstein, despite his repeated denials, had executed a declaration of trust in April 1982 saying he would execute the trust covering the New York real estate "for the benefits of Ferdinand Marcos." Salonga also testified that based on the declared income of Marcos from 1960 to 1966, the value of properties in New York alone was "manifestly out of proportion to his lawful income" and thus prima facie evidence of unexplained wealth under the Anti-Graft Law.

"Likewise, as early as 1968, Marcos and his wife had been depositing in Swiss banks under code names in their own hand writing," Salonga added.

The PCGG chairman also said that wherever the commission team members went Filipino volunteers gave them "valuable information and more documentation." The emerging picture, he said, "can only be described as the unprecedented plunder of an entire nation -- something that in terms of magnitude and brazenness, defies comparison in our history or, indeed, in the history of any nation."

#### PICKETERS SAVE INTERVIEWER FROM AQUINO SUPPORTERS

HK071213 Manila Far East Broadcasting Company in Tagalog 1000 GMT 7 Apr 86

[Text] Some 700 people picketed in front of the radio station DZBB in Quezon City this morning to protect commentator Rafael Yabut against supporters of President Corazon Aquino. The picketers, some wearing Marcos-Tolentino campaign hats, formed a human barricade before the station's gates in Epifano de Los Santo Avenue. They claimed to be former government employees removed from office following the recent government reorganization. It was alleged that pro-Cory Aquino people have threatened to harm Yabut for conducting a telephone interview with deposed President Marcos and First Lady Imelda Marcos last Saturday.

Meanwhile, Yabut said that he only sought to present Marcos' side, while pro-Aquino supporters considered Yabut's action as favoring the ousted president. Police were sent to the area to maintain order.

#### VER. LINKED TO 1971 PLAZA MIRANDA DEATHS

HK071555 Quezon City ANG PAHAYAGANG MALAYA in English 1 Apr 86 pp 1, 6

[By Daniel Hernandez]

[Text] Charges of multiple murder and serious physical injuries are set to be filed this week against former AFP [Armed Forces of the Philippines] chief Gen Fabian C. Ver and 7 other military officers tagged in the infamous and still unsolved bombing of the Liberal Party [LP] political meeting at Plaza Miranda in Quiapo, Manila, on Aug. 21, 1971.

Lawyer Reynaldo Bagatsing, counsel of one of the suspects who confessed his role in the bombing and who implicated the military officers, said he will seek millions of pesos in damages for the 9 persons who were killed and the 33 other person who were injured.

The suspect, who in the meantime prefers for security reasons to be called "Boy Bisaya" said he was then a non-commissioned officer assigned to Ver's elite Presidential Security Command [PSC].

Ver also ordered the liquidation of Ilocos Sur political warlord, Congressman Floro S. Crisologo, on Oct. 18, 1970. Bisaya claimed. Crisologo, a loyal political ally and close associate of then President Marcos, was gunned down at 4:30 pm while attending the afternoon Sunday mass at the St. Paul Cathedral in Vigan, Ilocos Sur.

He linked Ver, Brig. Gen. Roland Patuggalan, former chief of the intelligence service of the AFP, Col. Balbino Diego, legal officer of the PSC, 1st Lt. Porfirio Ramos, Msgt. Andres Lakdan, Sgt. Alberto Sulito and Sgt. Pedro Gutierrez to the Plaza Miranda bombing.



A NISA [National Intelligence and Security Agency] civilian agent, known only as Atong Suarez, was also tagged in the bombing which had as its prime target President Aquino's husband, Benigno Aquino Jr. The senator had just left the debut of one of the daughters of now Vice President Salvador H. Laurel at the Jai-Alai Keg Room and was atop the Quezon Bridge when the grenades exploded. "I would have been a goner," Aquino had told the young Bagatsing at the Manila Doctor's Hospital where some of the victims were rushed.

Twelve years later, on the same day, the senator was assassinated at the Manila International Airport. Ver was charged as an accessory in the murder but was acquitted last December by the three-man Sandiganbayan. Several quarters, including Defense Minister Juan Ponce Enrile and Human Rights Commission chairman Jose W. Diokno, are seeking the reopening of the Aquino case.

Bagatsing told MALAYA that he submitted last week copies of Boy Bisaya's sworn affidavits to new AFP chief Gen Fidel V. Ramos, PC [Philippine Constabulary] chief Brig. Gen. Renato de Villa and Diokno. He explained that Boy Bisaya sought him out as early as March 17, 1985 to clear his conscience.

Boy Bisaya, whom MALAYA traced to his hideout somewhere in Southern Tagalog, said he had agreed with the lawyer to make his disclosure on the Plaza Miranda bombing at the right time. "The political climate last year did not warrant an outright declaration in public about what I knew. Marcos, General Ver and the rest would have liquidated me. I begged my lawyer to suspend the announcement of my confession," Boy Bisaya told MALAYA. Boy Bisaya added that Ver had received instructions to kill Mr. Aquino as early as 1969. He promised to disclose other liquidation missions of deposed President Marcos.

Bagatsing said he will identify his client once the latter is allowed to turn state witness and provided security.

Bisaya revealed that Ver had sent three liquidation squads to assassinate Crisologo. Bisaya said, "I could only speak of the composition of our team. One squad was assigned to a helicopter, the other was composed of PC and Army soldiers who acted, in case of emergency, as the blocking team. This was the team that would seal all exits of Crisologo and his bodyguards." Bisaya added he was part of the first liquidation squad in the Crisologo assassination.

Bisaya said they had to make certain adjustments in their plot to kill Crisologo, who had planned to attend a meeting of barrio captains in a town near Vigan but on the spur of the moment decided to hear the Sunday mass at St Paul Cathedral in Vigan.

Bisaya pointed to Lakdan, also one of the suspected grenade throwers in the LP's rally meeting at Plaza Miranda, as the one who shot Crisologo in the head and chest with a super .38 caliber pistol. The controversial political kingpin of Ilocos Sur was kneeling when he was shot. Bisaya said he did not know the reasons for the killing of Crisologo, reportedly the closest political ally of Mr Marcos.

Crisologo, who had miraculously survived a dozen ambushes, turned around after he was shot in the nape, Bisaya said. It was at this point that Lakdan, the triggerman, apparently positioned himself two or three meters behind the congressman, and fired the second shot that hit him in the chest. The congressman was with his security man, PC Cpl. Juan Benito and his private secretary Florentino Puneg, when he was gunned down. Crisologo was seated in the front row.

AQUINO NAMES HUSBAND'S LAWYER AS OMBUDSMAN

HK041251 Hong Kong AFP in English 1239 GMT 4 Apr 86

[Text] Manila, April 4 (AFP) -- President Corazon Aquino Friday named her murdered husband's lawyer as the Philippines' new ombudsman, who could act as prosecutor if the case were ordered reopened by the Supreme Court. Raul Gonzalez, 54, told reporters after his appointment that he had mentioned to Mrs Aquino the possible reopening of the murder case, and "she said we will discuss it later on because she was very busy."

Mrs Aquino came to power in February after a civilian-backed military revolt toppled strongman Ferdinand Marcos and forced him and Armed Forces chief General Fabian Ver into exile.

Mr Gonzales was among the lawyers of Benigno Aquino when the politician, then Mr Marcos' chief political foe, was jailed under martial law in 1972. Mr Aquino was allowed to leave for the United States in 1980, but was shot dead at Manila airport in 1983 on his return from exile. In December a court here acquitted Gen. Ver, 24 other soldiers and a businessman of charges of conspiring to murder Mr Aquino.

The new Supreme Court has ordered the government's chief lawyer to comment within 10 days on a motion filed by private lawyers calling for a retrial. The petitioners charged that there was collusion between the prosecutors and the three-man court which tried the case, an allegation denied by the judges. If the high court decides there was a mistrial, the case would be reopened. Mr Gonzalez said that if the case were reopened and the government hands over the prosecution of the case to government lawyers, "I will personally be in it."

HUMAN RIGHTS COMMISSION MEMBERS INDUCTED

HK071221 Quezon City DZFM Radio in English 1100 GMT 7 Apr 86

[Text] Probes into the Aquino-Galman double murder case gained momentum today. Human Rights Commission chairman Jose Diokno held preliminary talks with Dean Andres Narvasa general counsel of the Agrava Board which held initial investigations of the slaying case. Diokno and members of his commission were formally inducted today. Those who took their oaths included Justice Gabriel Reyes as vice chairman, members lawyers Antonio (Singkot), Sister Mariani Dimarani, UP [University of the Philippines] professor of law Eddie (Diorag), Mrs Zenaida Quezon-Avancena, daughter of the late President Quezon and Samuel Soriano of the office of Defense Minister Juan Ponce Enrile.

'ILLEGAL' GENERALS MAY BE STRIPPED OF RANK

HK070938 Quezon City ANG PAHAYAGANG MALAYA in English 27 Mar 86 p 2

[Text] There are "illegal generals" in the active service in the Armed Forces of the Philippines (AFP). Top AFP lawyers stumbled onto the irregularity while reviewing the provisions of Executive Order (EO) No. 730 issued by deposed President Marcos on Sept. 10, 1981, exactly one week before he "lifted" martial law.

The lawyers said that the illegal generals might be stripped of their rank if President Corazon Aquino decides to disapprove or revoke the executive order. The lawyers explained that under the executive order, promotions from colonel to brigadier general should be passed upon by a board of generals chair-manned by the chief of staff.

A few of the general officers received their promotion without passing through the board which was authorized by the executive order to lay down the guidelines. The guidelines provided that a candidate should excel in performance, leadership and managerial or technical ability.

Three of the illegal generals jumped over the heads of more deserving and capable military officers.

AFP officials cited one PC [Philippine Constabulary] general who was promoted by Marcos because his wife was the former first couple's personal nurse. An Army general got his promotion for helping a candidate win a hotly political contest south of the Pasig River.

In short, military observers said, promotions done during the term of former Chief of Staff Gen. Fabian Ver were no longer based on merits.

The observers said that the anomaly had helped in the deterioration of the Armed Forces and the birth of the reformist movement.

Citing another anomaly, AFP officials recalled that last July Marcos promoted 24 senior officers to general to smokescreen the promotion of his brother-in-law, the wanted Commodore Alfredo "Bejo" Romualdez. Romualdez was only a reserve officer aside from the fact that he joined the military "only for convenience."

The military lawyers pointed out that following the procedure laid down in the executive order, the promotion of quite a number of general officers was downright illegal or irregular.

The main criterion for promotion spelled out in the EO was qualification. The EO provided that the board "shall submit the list of best qualified" officers as the term is contemplated in Section 8, Rep. Act 291, as amended, to the minister of defense who may recommend to the President such list for appointment.

The latest batch of lucky generals got their promotions without a recommendation for the board or the defense minister. While extension of the service of an extendee general is the sole prerogative of the commander-in-chief of the Armed Forces, the executive order issued by Marcos in 1981 did not provide for such a procedure, the lawyers said.

#### 37 SENIOR OFFICERS RETIRED, 11 EXTENDED

HK041239 Manila THE NEW PHILIPPINES DAILY EXPRESS in English 2 Apr 86 p 1, 3

[Text] Eighteen generals and two flag officers in the AFP were retired yesterday after they completed their mandatory course tours of duty. Nineteen other officers were retired and eight generals and three colonels were given a six-month extension of their tours of duty.

Among the generals who were retired were officers who are considered to be closest advisers of Gen. Fidel V. Ramos, AFP chief of staff.

The retired officers and their replacements are Brig. Gen. Jacinto Galang, Jr., AFP comptroller who was replaced by Col. Jesus Saclan; Brig. Gen. Meliton Goyena, AFP chief for personnel who was replaced by Col. Dalmacio Pezana; Brig. Augustus Paiso, chief of the Philippine Air Force security command, who was replaced by Col. Miguel Hinlo.



Brig Gen Paul Canalida, commander of the constabulary support command, who was replaced by Col Ramon Salaya; Brig Protacio Larroya, commander of the Constabulary Highway Patrol Group, who was replaced by Col Benjamin Dizon; Brig Gen Thomas Manlongat, PC regional command 2 chief, who was replaced by Col Manuel Avila;

Brig Gen Feliciano Suarez Jr., AFP chief engineer and commander of the 51st Engineering Brigade [EB], who was replaced by Col Francisco Dumpit, as commander of the 51st EB and Col Antonio Arriola as AFP chief engineer. Brig Gen Servando Lara, PA [Philippine Airforce] training command chief, who was replaced by Col Antonio Yamzon; Brig Gen Rodolfo Tolentino, commander of the 1st Infantry Division; [ID] replaced by Col Ernesto Maderazo; and Brig Gen Godofredo Sta. Ana, commander of 1st Air Division;

Brig. Gen Rodrigo Ordoyo, commander of the 3rd ID, was replaced by Col Franklin Samonte; Brig Gen Felicísimo Amano, commandant of the AFP command and AFP general staff college, was replaced by Brig. Gen Felix Brawner; Brig Gen Benjamin Ignacio, PC regional command X chief, was replaced by Col Jesus Hermosa and the following general officers who were assigned to the office of the AFP vice chief of staff Commodore Liberato Lazo; Brig Gens. Catalino Villanueva, Fortunato Corachea, Jose Paez, Benjamin Divinagracion, and Pedrito de Guzman and Commodore Ismael Aparri, commander of the Navy sea-lift amphibious command, who was replaced by Navy Capt George Templo.

Also retired were Colonels Jaime Vinago, Jose Villalobos, Antonio Fernando, Ralph Mangonon, Orlando Santos, Jose Santos Jr., Agustin Mateo, Tomas de Vera, Reynaldo San Gabriel, Marcos Betacura, Dominador de la Cruz, Simeon Kampis, Robelio Inson, Federico de Mesa, Anita Sabila, Gregorio Borres; Navy Captain Emmanuel Barlaan, Lt Col Elore Cepeda, and Air Force Capt Vicente San Juan.

Mateo, who was the PC chief of staff, was replaced by Col Raul Imperial Imson, who was the AFP inspector general, was replaced by Brig Gen Cesar Tapia, Santos Jr., who was PC acting regional command 7 chief, was replaced by Col Edgardo Avenina and San Gabriel who was AFP public information officer was replaced by Col Luis San Andres.

#### VICE CHIEF OF STAFF ON ARMY SIZE, BASE RENTAL

HK050808 Quezon City DZFM Radio in English 0800 GMT 5 Apr 86

[Text] Armed Forces Vice Chief of Staff Salvador Mison says he is in favor of a small but highly trained and better equipped fighting force. However, he cautioned on any drastic reduction of the 200,000-strong Armed Forces, considering the economic repercussion of such a move at this time. Mison said any reduction should seriously consider the social cost that would be involved, since discharged soldiers would pose a serious threat to society.

Mison also said he expects the United States to honor its commitment to release the \$100 million military package as rental for the use of Clark Air Base and Subic Naval Base, now that the country is under a new administration.

#### GENERAL CHALLENGES COLLEAGUES TO DECLARE ASSETS

BK050259 Manila PNA in English 0246 GMT 5 Apr 86

[Text] Manila, April 5 (PNA) -- An Army general has challenged his colleagues in the military to make public their assets and liabilities to avoid suspicions of having amassed wealth illegally.

Brig. Gen. Pedro Balbanero, commanding general of the Military Police Brigade, said senior colonels and other military personnel who have accumulated assets worth 200,000 pesos (10,000 U.S. dollars) or more should declare their assets and liabilities. Balbanero said the declaration will clear once and for all who among the military personnel have amassed ill-gotten wealth. This will also determine whether or not wealthy military officers are accurately paying their taxes, he said.

Balbanero said he is willing to declare in public his assets and liabilities. He said that as of now, the assets and liabilities filed by military personnel are considered confidential. This should be lifted immediately, Balbanero said.

#### LUZON CPP-NPA LEADER CITED ON GOVERNMENT

HK071448 Quezon City ANG PAHAYAGANG MALAYA in English 31 Mar 86 p 14

[Text] Tabuk, Kalinga-Apayao (PNA) -- The Communist Party of the Philippines and the New People's Army (CPP-NPA) will support the new government of President Corazon C. Aquino for as long as foreign control over the Philippines will be eliminated. This was the statement issued by a ranking leader of the CCP-NPA in Northern Luzon in an exclusive interview last March 21.

The interview was conducted through questions written down in advance. The answers were also in writing.

The rebel leader, known only as "Ka Yokan" but mentioned in military intelligence reports as "Oscar Barona," said, however, that the CPP-NPA will give the Aquino Government "the benefit of the doubt," obviously referring to the new government's position the interference of the United States in the socio-political affairs of the country. "We have always maintained the position, from the very start, that we should give the Aquino Government the benefit of the doubt. As of now, her circle is composed of many men of high respect and credibility of the Filipino people," "Ka Yokan" said.

The CPP-NPA's doubts appear to hinge on the extent "U.S. imperialism" would affect Philippine society.

It said that as long as the clutches of U.S. imperialism looms over Philippines society, any acts of the new government in line with the release of political prisoners could only be interpreted to mean a "continuation of the efforts of the U.S. imperialists "to maximize their move for cosmetic reforms to reinforce their show of make-believe dramas for real changes."

On the stand of the CPP-NPA as well as suggestions for the economic and social well-being of the masses under the new political dispensation, the CCP-NPA said: "Any talk of genuine and social progress under the old and the same semi-colonial and semi-feudal order is an exercise in futility. We can only talk of this under a Philippine society free from foreign domination and the economy geared for the people's progress. Otherwise, any changes for the better can only be called reforms."

In the same interview, the CPP-NPA also mentioned two choices for the Aquino administration to pursue. These are: "To be in the service of U.S. imperialism just like what the hated Marcos Regime and all past puppet governments have done," and a nationalist stand. "Take the second option and the Filipino people will be behind the government," Ka Yokan said.

The CCP-NPA also said that the coup d'etat against Marcos "could have been masterminded only by U.S. imperialism as the success of such action can only be possible with U.S. imperialism and no other as mastermind." However, in a more sober tone, the CPP-NPA lavishly praised the Filipino people for "the downfall of dictator Marcos."

They congratulated President Aquino and Vice President Salvador Laurel and all supporters of the Unido [United Nationalist Democratic Organization] in the snap elections that literally snapped Marcos out of power as well as the mass organization of all individuals who came out in the open, preempting the terror about to be unleashed by the dictator after the "snap election."

#### PROVINCIAL GOVERNOR URGES ARMY HALT OF OPERATIONS

HK071532 Quezon City ANG PAHAYAGANG MALAYA in English 1 Apr 86 p 14

[By Vincent V. Jaudian]

[Text] Misamis Oriental -- A top provincial official has urged the military field commanders and the communist New People's Army (NPA) operating in the guerilla war zones of this province to stop their combat maneuvers to prevent killings and mass evacuation. Gov. Vicente Y. Emano told MALAYA that the continuous counterinsurgency operations waged by the military's Scout Rangers in the far-flung barrios of Claveria, this province, has dislocated some 1,000 residents. Hundreds of houses, personal belongings and farmlands were abandoned, making the area virtually uninhabited since last week.

Expressing concern over the plight of the evacuees who were caught in the crossfire during the recent gunbattles between military troopers and the NPA guerillas, Emano appealed to Defense Minister Juan Ponce Enrile and AFP Chief of Staff Brig. [as published] Gen. Fidel V. Ramos to order the military field commanders to stop all the combat operations against the NPA in the countryside. "The military combat operations should be stopped to give the NPA guerillas a time to talk with religious and local leaders on the planned peace dialog," he stressed.

He further said that both the government troopers and the NPA guerillas should respect the ceasefire call by returning to their respective hideouts to pave the way for possible peace talks. He said that the insurgency problem can only be solved through reconciliatory measures and sincere dialog between the military and the rebel leaders.

Considering that the NPA guerillas never trust and abide with military feelers calling for a coordinated dialog, Emano said, his office will be open anytime of the day to receive rebel group's emissaries. The governor also asked "Commander Diomy", "Commander Nido Nabong", "Commander Jabbar", all high ranking MPA commanders operating in the mountain ranges of Mt. Balatucan and Kalabugao plain located along the eastern border of this province, to heed President Aquino's call for national reconciliation.

#### LUZON MAYOR REPORTEDLY 'EXECUTED' BY NPA

HK041255 Manila MANILA BULLETIN in English 1 Apr 86 p 18

[By Antenor B. Parazo]

[Text] Echague, Isabela -- The negotiations for the release of Mayor Romualdo Bediones of Villaverde, Nueva Viscaya were suspended and a search for his remains was launched after it was reported that he had been executed by his rebel captors last Feb. 1.



The military has started an investigation into reports on the mayor's execution which was disclosed by the New People's Army commander in the Cordilleras. The NPA chief's statement was published recently in Manila dailies, including the MANILA BULLETIN.

Mayor Bediones was kidnapped by an undetermined number of NPA rebels last Jan 2 while he was on his way home from an inspection of barangay road projects in his town. Since then, his release had been the subject of negotiations for his release between the captors and the members of the Nueva Viscaya Press Club who had gone to the kidnapers' mountain lair northeast of Villaverde.

The talks, however, failed due to the government's failure to meet the demands set by the rebels. The demands included the release of five political detainees then being held in the military stockade in Bayombong, Nueva Viscaya, and the dismantling of Constabulary detachments in Villaverde.

It was gathered here that the search for the body of the mayor began shortly after Cordillera NPA commanders issued the statement on the mayor's execution.

Reports said that Nueva Viscaya newsmen, undaunted by reports about the death of the mayor, have continued sending signals to the captors about their desire for continued negotiations. Several concerned citizens in Nueva Viscaya, too, are still hoping that the mayor is still alive, and that talks for his release must go on until it has been officially verified that was executed.

In a recent interview, Col Bernardo Ramos, newly installed commander of the Regional Unified Command (RUC) 2, said that the NPA's demand for the release of the five political detainees has become moot and academic. The prisoners had long been released by virtue of an order by President Corazon C. Aquino, along with other detainees held in other military camps.

The other demand, which is for the removal of constabulary units in Villaverde, could not be met because of the strategic locations, Ramos said. These detachments, the RUC chief explained, are so located that they are effective deterrents to NPA attacks on Villaverde and other towns in Nueva Viscaya.

#### TARLAC EX-GOVERNOR KILLED BY UNIDENTIFIED MEN

HK080911 Quezon City DZFM Radio in English 0700 GMT 8 Apr 86

[Text] Former Governor Federico Peralta of Tarlac is dead. The ex-governor and his family were attacked by masked men in their residence in barangay San Felipe, (Munoz Town) early this morning. Jun Francisco has that report:

[Begin Francisco recording] A telephone report received at Camp Crame today said his wife was also wounded. She was stabbed when she was awakened. A grandson of the late governor said he saw 7 to 10 masked armed men flee through the back door of the house. According to the telephone report made by the PC officer in charge of Tarlac Province, Colonel Lorenzo Mateo, to Major Wilfred Union, chief of the PC operations center in Camp Crame, said the victims suffered multiple stab wounds. A massive manhunt was launched by the Tarlac PC command to track down the perpetrators, the report said. Jun Francisco reporting. [end recording]

#### MAYOR SAYS MURDER CHARGES 'POLITICALLY MOTIVATED'

HK021059 Manila MANILA BULLETIN in English 31 Mar 86 p 5

[Text] Makati mayoralty claimant Johnny Wilson denied yesterday any involvement in the killing of nine persons last February 25 near the Makati Police headquarters.

Wilson said that the reported filing of murder charges against him and 14 others appear to be politically motivated and intended to pressure him into giving up his claim to the mayoralty post, coming as it does, more than one month after the incident happened.

In a press statement, Wilson said: "I was completely surprised to read in the newspapers that I have been charged before the Tanodbayan together with 14 Makati policemen with murder for the killing of nine persons last February 25 near the Makati Police Headquarters.

"I have absolutely nothing to do with those killings and I deny most vehemently the reported statement of Sgt Esteban Bantay, Jr that I had fired at them. The truth of the matter is that I did not fire at anyone!

"As far as I gathered from the Makati Police authorities, the incident was a result of the criminal and unlawful attempt of Sgt Bantay and his group to take over the Makati Police Headquarters where they had barricaded themselves after forcibly seizing high-powered firearms from members of the Makati Police Force and taking hostage a Makati policewoman, who was herself subsequently killed, during Sgt Bantay's attempt to escape.

"That I am now being implicated more than one month after the incident and after I have assumed the mayorship of Makati as the result of the death of Mayor Yabut smacks of a politically motivated and insidious attempt to destroy my good name and is clearly intended to pressure me into giving up my claim to the mayoralty post.

"I welcome any and all investigations. I am completely innocent and I can prove it! I trust that I will get justice from this new government!"

#### MUSLIM REBEL LEADERS DECIDE ON CEASE-FIRE

HK050029 Manila Far East Broadcasting Company in English 2300 GMT 4 Apr 86

[Text] In Davao City, leaders of Muslim rebels fighting for autonomy in Mindanao agreed yesterday [4 April] to negotiate a cease-fire with the government starting tomorrow. However, they will not lay down their arms. The cease-fire negotiations were agreed upon in the meeting between Muslim rebel leaders led by (Dante Indiola), who is military chief of the autonomous faction of the MNLF. He said it was hoped that peace will soon reign in Mindanao. The Muslim leader said his group, numbering about 60,000, will suspend attacks in line with the call for a 6-month truce by President Aquino. The government was represented in the exploratory talks yesterday by regional commander Brigadier General (Rodrigo Butang).

#### AGREEMENT NEEDED BEFORE IMF TRANCHE RELEASED

HK060504 Quezon City BUSINESS DAY in English 3 Apr 86 86 p 2

[By Rigoberto D. Tiglao]

[Text] The Philippines will draw the last \$350-million tranche of the new money facility extended by the country's bank creditors as soon as the government reaches an agreement with the International Monetary Fund (IMF) on whether the existing standby arrangement will be allowed to expire on June or whether a new one will be set up immediately to cover the period starting March.

"What's important is that an agreement is reached before June before the agreement with the banks lapses," Central Bank governor Jose B. Fernandez Jr. said. He explained that no decision has been reached on whether a new program will be immediately installed or whether the existing one will be allowed to continue to June. "That will be determined after our initial talks with the IMF in Washington next week and after the IMF staff mission in Manila completes its review," the CB governor said. He added that IMF team will arrive on April 14.

The CB governor indicated that he expects no obstacles to an IMF signal to the banks to allow the country to draw on the last portion of the new money facility. "We're not even in a crisis anymore, technically," he said. "Our international reserves are now at the \$1.35-billion level and we have settled all our arrears," Fernandez said.

He pointed out that expansionary monetary policy which had started last November but was abruptly stopped because of the jump in government spending in the first two weeks of February, will be continued. "But we'll have to make sure that any increases in the reserve money will not put speculative pressure on the peso," Fernandez said.

The CB governor yesterday emphasized that the monitoring scheme recently set up for importations will have a "very major impact" on the stability of the peso. "This will substantially reduce demand for black market dollars," he said.

Fernandez said the major thrust in the talks with the bank creditors will involve terms for the \$3-billion revolving trade facility which expires this year. Although he declined to give details, CB sources said the CB thinking is that the trade facility has had limited impact since more than half of the \$3-billion trade facility was merely converted into dollar deposits with the CB. It therefore has had limited success in pushing economic growth through increased imports of raw materials and equipment.

Fernandez noted that even the IMF itself believes that an economic program should spur growth. He emphasized that the country has already gone through a two-year period of austerity. "And we can't afford a decline in the economy anymore," he said.

#### ECONOMIST ON PLANNED 'RADICAL CHANGES'

HK051014 Hong Kong SOUTH CHINA MORNING POST (BUSINESS NEWS Supplement) in English  
5 Apr 86 p 2

[By Financial Editor John Mulcahy]

[Text] Much of what was wrong with the Philippine economy before the fall of President Ferdinand Marcos is still in existence, but radical changes are planned, a prominent economist from the country said yesterday.

Addressing a briefing organised by First Pacific Holdings in Hong Kong, Dr Jesus Estanislao, a former head of the authoritative Centre for Economic Research in the Philippines, and director-elect of the Development Bank of the Philippines, said he substantive policy discussion.

For the immediate term, he said the economy would veer away from the retardation of the recent past, and gross domestic product could grow by a real one percent this year. Acknowledging that the industrial, agricultural and financial sectors had been devastated, Dr Estanislao said there was a determination to attract foreign investment.



A key issue facing the country's new economic managers is the attitude to foreign trade, and the economist conceded that the Philippines had been one of the most protectionist countries in Southeast Asia. "High tariffs generated tax revenue and kept foreigners out, but the questions are how far we are prepared to go to reduce tariffs and how willing we are to join the competitive race in Southeast Asia."

Another speaker, Mr Louis Beltran, editor of the PHILIPPINE ENQUIRER, spoke of a case during the Marcos era where a US company producing filter tips for cigarettes had been forced out of business. A soft loan had been granted to a Marcos "crony" to set up a plant, and immediately given exemption from all taxes, while the US company was hit with a 30 percent tax surcharge.

Describing the endemic "crony" system, Mr Beltran said the country's three most important export crops -- coconuts, sugar, and timber -- were all in the hands of close Marcos associates. But "the Marcos power structure has been virtually wiped out," Mr Beltran said.

Dr Estanislao said the Philippines was headed for the first surplus on the capital account of its balance of payments in many years, and the current account surplus was estimated at US \$250 million. He said there would be no further deterioration in the trade account, and the aim was for a zero trade balance. "The economy is still very much Government-driven rather than export-led or investment-pushed."

Predicting a concerted effort to reduce inflation, Dr Estanislao said a fuel-price reduction at the pumps would be a politically popular decision, and would also alleviate the considerable pressure to curb inflation. He said it was unlikely inflation would rise above six percent this year, and would probably be contained at around four percent. A monumental misjudgement in economic management could push inflation out, but the worst case was eight percent on an annualised basis.

While interest rates in the Philippines are now in the 15 to 17 percent range, Dr. Estanislao said rates below 10 percent should be possible in the short to medium term.

A great deal of debate in power circles surrounds the plea for import liberalisation by some senior Government advisers. Predicting a drop in exports this year, Dr Estanislao said investments took a long time materialising, and the foreign business community was hearing conflicting stories on developments in the Philippines.

Mr Beltran said there was apparent concern over the defintior of the current structure in the Philippines as a revolutionary government. Although the Government is revolutionary, he said, the Bill of Rights incorporated into the 1935 and 1981 constitutions had been preserved, and this included property rights. "This is not a Al-Qadhdhafi or Khomeyni style revolutionary government. It is a Philippines version."

#### BUSINESS LEADER CALLS FOR LABOR LAW AMENDMENTS

HK050715 Quezon City DZFM Radio in English 0700 GMT 5 Apr 86

[Text] The country's big business has urged the government to amend existing labor laws. Aurelio Periquet Jr, president of the Philippine Chamber of Commerce and Industry, said labor laws would not be based on a policy of confrontational management-worker relationship. He said labor laws should reflect the bayanihan [cooperative work without pay] spirit between workers and the management, for their benefit. Periquet issued the call as he expressed alarm over a recent statement of Labor Minister Augusto Sanchez that it [as heard] is against free enterprise.

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